Company	**Merrimack County Telephone Company**
Year	2005

Please refer to accompanying Word Document " **Instructions for Annual Report"**

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Concord, New Hampshire

Telecommunications Companies
Incumbent Local Exchange Carrier

ANNUAL REPORT

OF

Merrimack County Telephone Company

(If name was changed during the year, enter the previous name and date of change below)

FOR THE YEAR ENDED DECEMBER 31, **2005**
year

FEDERAL TAX ID# ____________

Officer or other person to whom correspondence should be addressed regarding this report:

Name	Jerry L. Miller
Title	Secretary/Treasurer
Address	24 Depot Square - Unit 2
	Northfield, VT 05663
Phone Number	(802) 485-9755
Email Address	jerry.miller@tdstelecom.com

RSA 374:15 Every public utility shall file with the commission reports at such times, verified by oath in such manner, and setting forth such statistics and facts, as may be required by the commission.
RSA 374:17 Neglect or refusal to file will result in a forfeiture of $100 per day for each day in default.
PUC Rule 407.10-This annual report is due at the commission offices no later than March 31 of each year.

TABLE OF CONTENTS

A-1. GENERAL INFORMATION

IDENTITY OF RESPONDENT

1. Give the exact name under which the utility does business:

   MERRIMACK COUNTY TELEPHONE COMPANY

2. Full name of any other utility acquired during the year and date of acquisition:

   N/A

3. Location of principal office:

   11 KEARSARGE AVENUE, CONTOOCOOK, NH, 03229

4. State whether the utility is a corporation, joint stock association, trust or partnership, or an individual:

   Corporation

5. If a corporation or association, give date of incorporation, State under whose laws incorporated, and whether incorporated under special law:

   New Hampshire General Law - May 20, 1896

6. If incorporated under special act, given chapter and session date:

   N/A

7. Give date when company was originally organized and date of any reorganization:

   MAY 20, 1896 / (MERGED WITH HOPKINTON TEL. CO - 10/31/1977) / (MERGED WITH CVT - 10/27/1999) / (Acquired by TDS TELECOMMU
   CORPORATION 5/31/2002)

8. Name and addresses of principal offices of any corporations, trusts or associations owning, controlling or operating respondent:

   TDS Telecommunications Corpation, 525 Juncation Rd., Madison, WI 53717

9. Name and addresses of principal offices of any corporations, trusts or associations owned, controlled or operated by the respondent:

   N/A

10. Date when respondent first began to operate as a utility:

    May 20, 1896

11. If the respondent is engaged in any business not related to utility operation, provide all details*:

    N/A

12. If the status of the respondent has changed during the year in respect to any of the statements made above, provide all details, Including dates:
    N/A

13. If the utility is a foreign corporation which operated in New Hampshire prior to June 1, 1911, give date in which permission was granted to opera
    Stat. Ann 374:25, Exceptions and NH. Rev. Stat. Ann. 374:26 Permission.

    N/A

*If engaged in operations of utilities of more than one type, give dates for each.

OTHER PUBLISHED ANNUAL REPORTS

[ ] **REPORT TO STOCKHOLDERS/MEMBERS.** A copy of the annual report to stockholders or members [ ] was [ ] will be sent to NH PUC on or about
[X] Annual reports to stockholders or members are not published.

[ ] **RUS REPORT.** A copy of the published annual report to the Rural Utilities Service [ ] was [ ] will be sent to NH PUC on or about
[X] The respondent does not report to the Rural Utilities Service

[X] **LEC REPORT.** A copy of the respondent's Annual Report for Local Exchange Carriers to NH PUC is attached.

A-2. LIST OF OFFICERS

*Includes compensation received from all sources except directors fees.

Line No.	Title of Officer	Name	Residence	Compensation*
1	President	Michael A. Pandow	Madison, Wisconsin 53717	
2	Vice President	David A. Wittwer	Madison, Wisconsin 53717	
3	Vice President	William J. Megan	Madison, Wisconsin 53717	
4	Secretary/Treasurer	Jerry L. Miller	Roachdale, Indiana 46172	
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				$ 21,223

A-3. LIST OF DIRECTORS

	Name	Residence	Length of Term	Term Expires	No. of Meetings Attended Year	Annual Fees*
16	William J. Megan	Madison, Wisconsin 53717	1 year	May 2006	1	
17	Michael A. Pandow	Madison, Wisconsin 53717	1 year	May 2006	1	
18	Grant B Spellmeyer	Madison, Wisconsin 53717	1 year	May 2006	1	
19	David A. Wittwer	Madison, Wisconsin 53717	1 year	May 2006	1	
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	State Directors' fee per meeting:	$ -				

A-4. SHAREHOLDERS AND VOTING POWERS

Line No.	
1	State total of voting power of all security holders at close of year: Votes: 165
2	State total number of shareholders of record at close of year according to classes of stock: 1
3	
4	
5	State the total number of votes cast at the latest general meeting: 165
6	Give date and place of such meeting: 5/27/05, Madison, WI
	Give the following information concerning the ten security holders having the highest voting powers in the corporation, the officers, directors and each holder of one percent or more of the voting capital stock. (Section 7, Chapter 182. Laws of 1933)

Line No.	Name	Address	No. of Votes	Number of Shares Owned: Common	Number of Shares Owned: Preferred
7	TDS Telecommunications Corporation	525 Junction Rd, Madison WI 53717	165	165	
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
		Totals	165	165	-

A-5. LIST OF EXCHANGES SERVED DIRECTLY

List individually each exchange name, exchange NXX , towns served directly, indicating those in which franchise is for limited area by an asterisk (*) after the town/area's name.

Line No.	Exchange Name	Exchange NXX	Towns Served	Number of Customers	Line No.	Exchange Name	Exchange NXX	Towns Served	Number of Customers
								Sub-Total Forwarded	4,298
1	BRADFORD	938	HENNIKER*	1	16	ANTRIM	588	HANCOCK*	10
2	BRADFORD	938	NEWBURY*	482	17	ANTRIM	588	BENNINGTON*	730
3	BRADFORD	938	SUTTON*	202	18	ANTRIM	588	GREENFIELD*	9
4	BRADFORD	938	WARNER*	53	19	ANTRIM	588	HILLSBOROUGH*	2
5	BRADFORD	938	BRADFORD*	1,147	20				
6					21				
7					22	HENNIKER	428	DEERING*	4
8	SUTTON	927	NEWBURY*	6	23	HENNIKER	428	HENNIKER*	2,553
9	SUTTON	927	SUTTON*	822	24	HENNIKER	428	HOPKINTON*	1
10	SUTTON	927	WILMOT*	39	25	HENNIKER	428	WARNER*	29
11					26	HENNIKER	428	HILLSBOROUGH*	-
12					27	HENNIKER	428	SUTTON	24
13	ANTRIM	588	ANTRIM*	1,341	28				
14	ANTRIM	588	DEERING*	6	29	CONTOOCOOK	746	HOPKINTON*	2,888
15	ANTRIM	588	FRANCESTOWN*	199	30	CONTOOCOOK	746	WARNER*	247
	Sub-Totals Forward:			4,298		Sub-Totals Forward:			10,795

A-6. PAYMENTS TO INDIVIDUALS

List here names of all individuals, partnerships, or corporations, to whom payments totaling $10,000 or more for services rendered were made or accrued during the year, and the amount paid or accrued to each. Where payments or accruals to the individual members of a partnership or firm together total $10,000 or more, list each individual and the amount paid or due each.

Line No.	Name	Address	Amount
			$ -
1	ADVANCED AERIAL CABLE SE	CHICHESTER NH	$ 160,611
2	ALLTEL COMMUNICATIONS PRODUCTS, INC	FULTON GA	$ 14,410
3	ALLTEL PUBLISHING CORPORATION	CINCINNATI OH	$ 87,706
4	ASPLUNDH TREE EXPERT CO	ATLANTA GA	$ 33,301
5	AZTECH COMMUNICATIONS	CONCORD NH	$ 33,211
6	CALIX NETWORKS INC	DENVER CO	$ 142,960
7	CML EMERGENCY SERVICES	NEW YORK NY	$ 15,147
8	COMSTOR	NEW YORK NY	$ 10,243
9	DEVINE, MILLIMET & BRANC	CONCORD NH	$ 48,868
10	DYNUS TECHNOLOGIES	CINCINNATI OH	$ 21,967
11	FOR-TEK	NORTH BILLERICA MA	$ 28,258
12	H.R. CLOUGH, INC	CONTOOCOOK NH	$ 10,695
13	INTERSTATE FIRE PROTECTI	NORTH CONWAY NH	$ 10,812
14	J.J.COMMUNICATIONS,INC.	NASHUA NH	$ 26,738
	Sub-Totals Forward:		$ 644,927

A-5. LIST OF EXCHANGES SERVED DIRECTLY Cont'd

List individually each exchange name, exchange NXX , towns served directly, indicating those in which franchise is for limited area by an asterisk (*) after the town/area's name.

Line No.	Exchange Name	Exchange NXX	Towns Served	Number of Customers	Line No.	Exchange Name	Exchange NXX	Towns Served	Number of Customers
								Sub-Total Forwarded	13,147
31			Sub-Total Forwarded	10,795	46	HILLSBOROUGH	464	HENNIKER*	6
32	CONTOOCOOK	746	WEBSTER*	437	47	HILLSBOROUGH	464	HILLSBOROUGH*	2,742
33	CONTOOCOOK	746	CONTOOCOOK	7	48	HILLSBOROUGH	464	DEERING*	689
34	CONTOOCOOK	746	HILLSBOROUGH*	6	49				
35	CONTOOCOOK	746	HENNIKER*	13	50	MELVIN VILLAGE	544	MOULTONBOROUGH*	295
36	CONTOOCOOK	746	SALEM	1	51	MELVIN VILLAGE	544	TUFTONBORO*	579
37	CONTOOCOOK	746	BRADFORD*	24	52				
38					53				
39	WARNER	456	SALISBURY*	45	54				
40	WARNER	456	SUTTON*	107	55				
41	WARNER	456	WARNER*	1,589	56				
42	WARNER	456	WEBSTER*	86	57				
43	WARNER	456	BRADFORD*	1	58				
44					59				
45	HILLSBOROUGH	464	ANTRIM*	36	60				
	Sub-Totals Forward:			13,147		Totals:			17,458

A-6. PAYMENTS TO INDIVIDUALS Cont'd

List here names of all individuals, partnerships, or corporations, to whom payments totaling $10,000 or more for services rendered were made or accrued during the year, and the amount paid or accrued to each. Where payments or accruals to the individual

Line No.	Name	Address	Amount
	Sub-Total Forwarded		$ 644,927
1	JAMES J FOX & COMPANY	BURLINGTON MA	$ 20,855
2	JCR CONSTRUCTION CO.,INC	RAYMOND NH	$ 54,739
3	LEASE PLAN USA INC	ATLANTA GA	$ 84,424
4	LUCENT TECHNOLOGIES, INC	ATLANTA GA	$ 235,804
5	MANPOWER	PHILADELPHIA PA	$ 16,642
6	MAPCOM SYSTEMS	RICHMOND VA	$ 17,900
7	MONTCLAIR FIBER OPTICS	MIDDLETON WI	$ 10,303
8	MOUNTAIN, LTD	YARMOUTH ME	$ 114,066
9	NORTHSTAR MAINTENANCE	WARNER NH	$ 16,269
10	ON TARGET UTILITY SERVICE	GARDINER ME	$ 25,910
11	PUBLIC SERVICE OF NEW HAMPSHIRE	MANCHESTER NH	$ 284,769
12	RBG INC	RAYMOND NH	$ 11,128
13	ROBERTS MAINTENANCE AND GREENHOUSE	WEBSTER NH	$ 60,267
14	RPF & SON MECHANICAL SERVICE	HENNIKER NH	$ 26,294
	Sub-Totals Forward:		$ 1,624,297

A-5. LIST OF EXCHANGES SERVED DIRECTLY Cont'd

List individually each exchange name, exchange NXX , towns served directly, indicating those in which franchise is for limited area by an asterisk (*) after the town/area's name.

Line No.	Exchange Name	Exchange NXX	Towns Served	Number of Customers	Line No.	Exchange Name	Exchange NXX	Towns Served	Number of Customers
								Sub-Total Forwarded	-
31			Sub-Total Forwarded		46				
32					47				
33					48				
34					49				
35					50				
36					51				
37					52				
38					53				
39					54				
40					55				
41					56				
42					57				
43					58				
44					59				
45					60				
	Sub-Totals Forward:			-		Totals:			-

A-6. PAYMENTS TO INDIVIDUALS Cont'd

List here names of all individuals, partnerships, or corporations, to whom payments totaling $10,000 or more for services rendered were made or accrued during the year, and the amount paid or accrued to each. Where payments or accruals to the individual

Line No.	Name	Address	Amount
	Sub-Total Forwarded		$ 1,624,297
1	THE BERRY COMPANY	CINCINNATI OH	$ 100,086
2	US CELLULAR	CHICAGO IL	$ 18,414
3	VERISIGN, INC.	DALLAS TX	$ 42,541
4	VERIZON	BALTIMORE MD	$ 42,735
5	VERIZON WIRELESS	NEWARK NJ	$ 16,273
6	WESTCON INC	NEW YORK NY	$ 59,524
7	WYMAN'S CHEVROLET-POITIAC		$ 13,942
8			
9			
10			
11			
12			
13			
14			
	Total		$ 1,917,812

A-7. MANAGEMENT FEES AND EXPENSES

List all individuals, associations, partnerships, corporations or concerns with whom the company has any contract or agreement covering management or supervision of its affairs such as accounting, financing, engineering, construction, purchasing, operation, etc., and show the total amount paid to each for the year. Designate by asterisk (*) those organizations which are "Affiliates" as defined in Chapter 182, Section 1, Laws of 1993.

Line No.	Name	Date of Contract	Date of Expiration	Character of Service	Amount Paid or Accrued for Each Class	Distribution of Accrual or Payments: To Fixed Capital	To Operating Exp.	To Other Accts.
1								
2	TDS Telecom Service Corporation *	June 1, 2002	none	Management	$ 124,661		$ 124,661	
3	Telephone and Data Systems, Inc. *	June 1, 2002	none	Management	$ 75,348		$ 75,348	
4	Kearsarge Telephone Company *	June 1, 2002	none	Management	$ 2,440		$ 2,440	
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31				**Totals**	$ 202,449	$ -	$ 202,449	$ -
32	Have copies of all such contracts or agreements been filed with the Commission? Yes							

A-8. IMPORTANT CHANGES DURING THE YEAR

Give concise answers to each of the following, numbering them in accordance with the inquiries. Each inquiry should be answered. If "none" or "not applicable" states the fact, that response should be made. If information which answers an inquiry is given elsewhere in the report, reference to the schedule in which it appears will be sufficient.

1. List extensions of the systems (other than additions supplementing existing facilities of the respondent whether by purchase, construction, donation or otherwise. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, and the total consideration given, monetary and otherwise.

   N/A

2. If during the year, a substantial portion or all of the property of the respondent was sold, merged, or abandoned, provide all details, including the location and territory covered. In case of sale or merger, give the effective date, name and address of the successor company, and the consideration given, monetary and otherwise.

   N/A

3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any, that was required. Give the date of the journal entries, required by the Uniform System of Accounts that were submitted to the Commission.

   N/A

4. Estimated increase or decrease in annual revenues due to important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification and the customers affected.

   N/A

5. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.

   N/A

6. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

   N/A

7. Attach a map defining the territory covered by the respondent's operations. A new map is required when changes in territory have occurred and in each year ending in 0 or 5 (e.g., 1990 or 1995). In all other years reference to the report in which the map last appears will be sufficient.

   ATTACHED

8. State the annual effect of each important change in wage scales. Include also the effective date and the portion applicable to operations.

   N/A

9. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 6, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

   N/A

A-9. FINANCIAL REPORTING DISCLOSURE INSTRUCTIONS

Footnote Disclosure:

Financial information presented in statements included within the New Hampshire Public Utilities Commission Annual Re conformance with general accepted accounting principles and the following should be disclosed:

1. Data necessary to prevent the information from being misleading. Accordingly, (a) extraordinary or material, unusual or occurring items; (b) significant principles or practices from those used in the prior year, and (c) the acquisition or disposi operation, assets or liabilities should be noted.
2. Uncertainties that could affect the fairness of the information, including significant changes in the status of loss continge prior year, should be noted.
3. If revenues, costs, or expenses are accrued or deferred in a manner different from that of the prior year, the method use of such accruals or deferrals should be noted.

F-10. BALANCE SHEET
Assets and Other Debits

Line No.	Accounts (a)		See Sch.	Current Year End Balance	Previous Year End Balance	Increase or Decrease (d)
	CURRENT ASSETS					
1	1130	Cash		$ 1,062,603	$ 1,800,852	$ (738,249)
2	1130.1	REA Cash				$ -
3	1130.2	Cash Savings				$ -
4	1140	Special Cash Deposits				$ -
5	1150	Working Cash Advances		$ 1,150	$ 1,150	$ -
6	1160	Temporary Investments	17	$ -	$ 3,000,000	$ (3,000,000)
7	1180	Telecommunications Accounts Receivable	17	$ 1,250,219	$ 1,078,734	$ 171,485
8	1181	Accounts Receivable Allowance-Telecom	17	$ (13,900)	$ (13,000)	$ (900)
9	1190.1	Accounts Receivable from Affiliated Co.	17	$ 437,182	$ 499,207	$ (62,025)
10	1190.2	Other Accounts Receivable	17	$ 1,291,592	$ 1,106,310	$ 185,282
11	1191	Accounts Receivable Allow.-Affiliates	17	$ (55,800)	$ (55,800)	$ -
12	1200.1	Notes Receivable from Affiliated Companies	17	$ -	$ -	$ -
13	1200.2	Other Notes Receivable	17	$ -	$ -	$ -
14	1201	Notes Receivable Allow.-Affiliates	17	$ -	$ -	$ -
15	1210	Interest and Dividends Receivable	17	$ 3,758	$ 10,138	$ (6,380)
16	1220	Material and Supplies		$ 110,022	$ 113,998	$ (3,976)
17	1290	Prepaid Rents				$ -
18	1300	Prepaid Taxes	36B	$ 49,311	$ 42,340	$ 6,971
19	1310	Prepaid Insurance				$ -
20	1320	Prepaid Directory Expenses		$ 44,016	$ 34,400	$ 9,616
21	1330	Other Prepayments	18	$ 328,879	$ 319,904	$ 8,975
22	1350	Other Current Assets	19	$ 273,927	$ -	$ 273,927
23	1360	Current Deferred Income Taxes-Dr.				$ -
24		Total Current Assets		$ 4,782,959	$ 7,938,233	$ (3,155,274)
	NONCURRENT ASSETS					
25	1401	Investments in Affiliated Companies	17	$ -	$ -	$ -
26	1402	Investments in Non-Affiliated Companies	17	$ 900,000	$ 1,245,932	$ (345,932)
27	1406	Nonregulated Investments		$ 137,960	$ 147,693	$ (9,733)
28	1407	Unamortized Debt Issuance Expense	23	$ -	$ 25,779	$ (25,779)
29	1408	Sinking Funds	20	$ -	$ -	$ -
30	1410	Other Noncurrent Assets	21	$ 55,469	$ 72,897	$ (17,428)
31	1438	Deferred Maintenance & Retirement	22	$ -	$ -	$ -
32	1439	Deferred Charges	22	$ -	$ -	$ -
33		Total Noncurrent Assets		$ 1,093,429	$ 1,492,301	$ (398,872)
	REGULATED PLANT					
34	2001	Telecommunications Plant in Service	12A	$ 48,879,870	$ 49,116,770	$ (236,900)
35	2002	Property Held for Future Telecom. Use	12A	$ -	$ -	$ -
36	2003	Telecom. Plant Under Const.-Short Term	12A	$ 398,572	$ 58,681	$ 339,891
37	2004	Telecom. Plant Under Const.-Long Term	12A	$ -	$ -	$ -
38	2005	Telecommunications Plant Adjustment	12A	$ 173,213	$ 234,353	$ (61,140)
39	2006	Nonoperating Plant	12A	$ 1,294,702	$ 1,403,406	$ (108,704)
40	2007	Goodwill	12A	$ 1,981,000	$ 1,981,000	$ -
41		Total Regulated Telecommunications Plant		$ 52,727,357	$ 52,794,210	$ (66,853)
42	3100-3300	Less: Accumulated Depreciation	14A	$ 36,129,090	$ 35,134,539	$ 994,551
43	3410-3600	Less: Accumulated Amortization	15	$ 64,463	$ 31,563	$ 32,900
44		Net Telecommunications Plant		$ 16,533,804	$ 17,628,108	$ (1,094,304)
45		Telecommunications Plant Adjustment				$ -
46		**TOTAL ASSETS AND OTHER DEBITS**		$ 22,410,192	$ 27,058,642	$ (4,648,450)

F-10. BALANCE SHEET
Liabilities and Stockholders' Equity

Line No.		Accounts (a)	See Sch.	Current Year End Balance	Previous Year End Balance	Increase or (Decrease) (d)
	CURRENT LIABILITIES					
1	4010	Accounts Payable	26	$ 1,493,842	$ 1,512,458	$ (18,616)
2	4020	Notes Payable	25	$ -	$ -	$ -
3	4030	Advanced Billing and Payment		$ 29,953	$ -	$ 29,953
4	4040	Customer Deposits		$ 1,375	$ -	$ 1,375
5	4050	Current Maturities-Long Term Debt		$ -	$ 1,496,250	$ (1,496,250)
6	4060	Current Maturities-Capital Leases	12D	$ 48,522	$ 30,926	$ 17,596
7	4070	Income Taxes-Accrued	36B	$ 1	$ 448,759	$ (448,758)
8	4080	Other Taxes-Accrued	36B	$ 62,029	$ 58,834	$ 3,195
9	4100	Net Current Deferred Operating Income Taxes	30B	$ (28,246)	$ (48,314)	$ 20,068
10	4110	Net Current Deferred Non-Operating Income Taxes	30C	$ -	$ -	$ -
11	4120	Other Accrued Liabilities	26	$ 77,391	$ 141,151	$ (63,760)
12	4130	Other Current Liabilities	26	$ 91,742	$ 88,827	$ 2,915
13		Total Current Liabilities		$ 1,776,609	$ 3,728,891	$ (1,952,282)
	LONG TERM DEBT					
14	4210	Funded Debt	24	$ -	$ 3,982,299	$ (3,982,299)
15	4220	Premium on Long Term Debt				$ -
16	4230	Discount on Long Term Debt				$ -
17	4240	Reacquired Debt				$ -
18	4250	Obligation Under Capital Leases	12D	$ 29,778	$ 28,349	$ 1,429
19	4260	Advances from Affiliated Companies	24			$ -
20	4270	Other Long Term Debt	24			$ -
21		Total Long Term Debt		$ 29,778	$ 4,010,648	$ (3,980,870)
	OTHER LIABILITIES AND DEFERRED CREDITS					
22	4310	Other Long-Term Liabilities	29	$ 61,374	$ 116,159	$ (54,785)
23	4320	Unamortized Operating Investment Tax Credits-Net				$ -
24	4330	Unamortized Non-Operating Investment Tax Credits-Net				$ -
25	4340	Net Non-current Deferred Operating Income Taxes	30B	$ 2,019,545	$ 1,905,537	$ 114,008
26	4350	Net Non-current Deferred Non-Operating Income Taxes	30C	$ -	$ -	$ -
27	4360	Other Deferred Credits	30A	$ 97,236	$ -	$ 97,236
28		Total Other Liabilities and Deferred Credits		$ 2,178,155	$ 2,021,696	$ 156,459
	STOCKHOLDERS' EQUITY					
29	4510.1	Capital Stock-Common	33	$ 430,670	$ 430,670	$ -
30	4510.2	Capital Stock-Preferred	33	$ -	$ -	$ -
31	4520	Additional Paid-in Capital	33	$ 4,638,600	$ 3,738,600	$ 900,000
32	4530.1	Treasury Stock-Common				$ -
33	4530.2	Treasury Stock-Preferred				$ -
34	4540	Other Capital				$ -
35	4550	Retained Earnings	31	$ 13,356,380	$ 13,128,137	$ 228,243
36		Total Stockholders' Equity		$ 18,425,650	$ 17,297,407	$ 1,128,243
37	**TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY**			$ 22,410,192	$ 27,058,642	$ (4,648,450)

RESERVED

F-11. INCOME STATEMENT

Line No.	Item (a)	See Sch.	Amount for the Current Year (b)	Increase over Preceding Year (c)
	INCOME			
	TELEPHONE OPERATING INCOME			
1	Operating Revenues	34	$ 11,283,049	$ 261,925
2	Operating Expenses	35	$ 9,102,541	$ 726,249
3	Net Telephone Operating Revenues		$ 2,180,508	$ (464,324)
	OTHER OPERATING INCOME AND EXPENSES			
4	7100 Other Operating Income and Expense	38	$ -	$ -
5	Telephone Operating Revenue Before Taxes		$ 2,180,508	$ (464,324)
	OPERATING TAXES			
6	7210 Operating Investment Tax Credits-Net		$ -	$ -
7	7220 Operating Federal Income Taxes		$ 515,207	$ (391,426)
8	7230 Operating State and Local Income Taxes		$ 133,277	$ (155,841)
9	7240 Other Operating Taxes	36A	$ 120,229	$ (5,273)
10	7250 Provision for Deferred Operating Income Taxes-Net	30B	$ 157,822	$ 449,210
11	Total Operating Taxes		$ 926,535	$ (103,330)
12	Net Operating Income		$ 1,253,973	$ (360,994)
	NON-OPERATING INCOME AND EXPENSES			
13	7300 Non-Operating Income and Expenses	37	$ 205,531	$ 17,387
14				
	NON-OPERATING TAXES			
15	7400 Non-Operating Taxes	36C	$ (32,596)	$ 208,347
16				
17	Net Non-Operating Income		$ 238,127	$ (190,960)
18	Income Available for Fixed Charges		$ 1,492,100	$ (551,954)
	INTEREST AND RELATED ITEMS			
19	7510 Interest on Funded Debt	24	$ 171,844	$ (250,092)
20	7520 Interest Expense-Capital Leases	12D	$ 1,551	$ (644)
21	7530 Amortization of Debt Issuance Expense	23	$ 3,932	$ (4,000)
22	7540 Other Interest Deductions		$ 48	$ (89)
23	Total Interest and Related Items		$ 177,375	$ (254,825)
24	Income Before Extraordinary Items		$ 1,314,725	$ (297,129)
	EXTRAORDINARY ITEMS			
25	7600 Extraordinary Items	36D	$ -	
26				
	JURISDICTIONAL DIFFERENCES AND NON-REGULATED INCOME ITEMS			
27	7990 Non-Regulated Net Income		$ (261,483)	$ 370,926
28	Total Jurisdictional Differences and Extraordinary Items		$ (261,483)	$ 370,926
29	Net Income	16	$ 1,053,242	$ 73,797

NOTES TO INCOME STATEMENT

1. Refunds to subscribers, in the event of an adverse decision in pending rate proceedings, would reduce the amount of "Operating revenues" for the current year by approximately : $ -

2. Investment credits realized were given immediate total flow through treatment in the amount of : $ -

3. The rate(s) used during the year in capitalizing interest during construction and basis upon which the rate(s) was determined. NA

B-12A. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS

1. Report in Column (c) all amounts relating to purchases of plant accounted for in accordance with Paragraphs (1) and (2) of Puc 409.03 (b) of the Uniform System of Accounts for Telecommunications Companies.

2. Each transfer or adjustment between accounts listed in this schedule, or between accounts listed in this schedule and other accounts, shall be included in column (g) and explained in a note, except the following which shall be included in columns (c) thru (f), as appropriate: (1) transfers and adjustments amounting to less than $5,000; (2) adjustments and corrections of additions and retirements for the current or the preceding year; (3) transfers involving account 2003 and 2004, the plant accounts, the account 2002 made in connection with the closing of records of construction work orders or authorizations, and (4) routine entries relating to the acquisition, sale, retirement, or change in the use of plant, such as transfers among accounts 2111 to 2690, inclusive, 1439, 2002 and 2005.

3. Credits to accounts listed in this schedule relating to property retired and charged to account 2006 "Non-Operating Plant" shall be included in column (f).

4. List each of the depreciable plant accounts and all subclasses of plant in column (a) for which a depreciable rate has been determined and as a subtotal for each primary account.

			CHARGES DURING THE YEAR		CREDITS DURING THE YEAR			
Line No.	Account (a)	Balance At Beginning Of The Year (b)	Plant Acquired From Predecessors (See Inst. 1) (c)	Other Plant Added (d)	Plant Sold With Traffic (e)	Transfers and Other Plant Retired (f)	Adjustments (Charges and Credits) (g)	Balance At End Of The Year (h)
	TELECOMMUNICATIONS PLANT IN SERVICE							
1	2002 Property Held for Future Telecom Use	$ -						$ -
2	2003 Telecommunications Plant Under Construction - Short Term	$ 58,681		$ 339,891				$ 398,572
3	2004 Telecommunications Plant Under Construction - Long Term	$ -						$ -
4	2005 Telecommunications Plant Adjustment	$ 234,353				$ 61,140		$ 173,213
5	2006 Non-Operating Plant	$ 1,403,406				$ 108,704		$ 1,294,702
6	2007 Goodwill	$ 1,981,000						$ 1,981,000
7	Subtotal	$ 3,677,440	$ -	$ 339,891	$ -	$ 169,844	$ -	$ 3,847,487
	LAND AND SUPPORT ASSETS							
8	2111 Land	$ 411,362						$ 411,362
9	2112 Motor Vehicles	$ 1,276,460		$ 86,620		$ 149,603		$ 1,213,477
10	2113 Aircraft	$ -						$ -
11	2114 Special Purpose Vehicles	$ -						$ -
12	2115 Garage Work Equipment	$ -						$ -
13	2116 Other Work Equipment	$ 375,601		$ 9,863		$ 12,478		$ 372,986
14	2121 Buildings	$ 3,941,107					$ 54,249	$ 3,886,858
15	2122 Furniture	$ 465,929						$ 465,929
16	2123 Office Equipment	$ 334,254						$ 334,254
17	2124 General Purpose Computers	$ 519,839		$ 94,651		$ 335,518		$ 278,972
18	Subtotal	$ 7,324,552	$ -	$ 191,134	$ -	$ 497,599	$ 54,249	$ 6,963,838

B-12A. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS (continued)

Line No.		Account (a)	Balance At Beginning Of The Year (b)	CHARGES DURING THE YEAR: Plant Acquired From Predecessors (See Inst. 1) (c)	CHARGES DURING THE YEAR: Other Plant Added (d)	CREDITS DURING THE YEAR: Plant Sold With Traffic (e)	CREDITS DURING THE YEAR: Transfers and Other Plant Retired (f)	CREDITS DURING THE YEAR: Adjustments (Charges and Credits) (g)	Balance At End Of The Year (h)
		CENTRAL OFFICE SWITCHING							
19	2211	Analog Electronic Switching	$ -						$ -
20	2212	Digital Electronic Switching	$ 8,546,129		$ 91,658		$ 313,756	$ (29,563)	$ 8,353,594
21	2215	Electro-Mechanical Switching	$ -						$ -
22	2220	Operator System	$ -						$ -
23	2230	Central Office Transmission	$ 8,258,483		$ 330,886		$ 628,431	$ (54,249)	$ 8,015,187
24		Subtotal	$ 16,804,612	$ -	$ 422,544	$ -	$ 942,187	$ (83,812)	$ 16,368,781
		INFORMATION ORIGINATION-TERMINATION							
25	2311	Station Apparatus	$ -						$ -
26	2321	Customer Premises Wiring	$ -						$ -
27	2341	Large Private Branch Exchanges	$ -						$ -
28	2351	Public Telephone Terminal Equipment	$ -						$ -
29	2362	Other Terminal Equipment	$ -						$ -
30		Subtotal	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		CABLE AND WIRE FACILITIES							
31	2411	Poles	$ 5,377,045		$ 300,780		$ 38,625		$ 5,639,200
32	2421	Aerial Cable	$ 13,165,668		$ 215,397		$ 64,868		$ 13,316,197
33	2422	Underground Cable	$ 1,032,471						$ 1,032,471
34	2423	Buried Cable	$ 3,502,907		$ 129,312				$ 3,632,219
35	2424	Submarine Cable	$ -						$ -
36	2426	Intrabuilding Network Cable	$ -						$ -
37	2431	Aerial Wire	$ 343,906				$ 741		$ 343,165
38	2441	Conduit System	$ 1,177,648						$ 1,177,648
39		Subtotal	$ 24,599,645	$ -	$ 645,489	$ -	$ 104,234	$ -	$ 25,140,900
		AMORTIZABLE ASSETS							
40	2681	Capital Leases	$ 88,619		$ 46,544				$ 135,163
41	2682	Leasehold Improvements	$ 8,173						$ 8,173
42	2690	Intangibles	$ 291,169		$ 134,928		$ 133,519	$ 29,563	$ 263,015
43		Subtotal	$ 387,961	$ -	$ 181,472	$ -	$ 133,519	$ 29,563	$ 406,351
44	2001	(A/C 2110 thru 2690) (Summary A/C)	$ 49,116,770	$ -	$ 1,440,639	$ -	$ 1,677,539	$ -	$ 48,879,870
45		**Total**	$ 52,794,210	$ -	$ 1,780,530	$ -	$ 1,847,383	$ -	$ 52,727,357

2121 Transfer DLC easements to 2232 as required by the 2004 PUC audit
2690 Transfer of Siemens EWSD SW Upgrades to 2212

RESERVED

B-12B. ANALYSIS OF TELECOMMUNICATIONS PLANT-IN-SERVICE RETIRED

1. Respondents shall report in column (b) amounts charged or credited to the accounts identified in column (a) that are related to plant sold with traffic and in column (c) amounts charged or credited to the accounts identified in column (a) that are related to other plant retired.

2. Charges to Account 3100, Accumulated Depreciation, reported in column (c) shall be reported gross salvage and cost of removal entries (see Schedule 14A).

3. In the space provided at the bottom of the schedule, respondents shall provide a full explanation of other accounts charged or credited.

Line No.	Account Charged (or Credited) (a)		AMOUNTS RELATING TO: Plant Sold With Traffic (b)	Other Plant Retired (c)
1	3100 Accumulated Depreciation	Ref 14A		$ 1,652,723
2	3200 Accumulated Depreciation - Held for Future Telecom. Use			
3	3300 Accumulated Depreciation - Non-Operating			
4	3410 Accumulated Amortization - Capitalized Leases			$ -
5	3420 Accumulated Amortization - Leasehold Improvements			
6	3500 Accumulated Amortization - Intangible			
7	3600 Accumulated Amortization - Other			
8	2006 Non-Operating Plant			
9	7150 Gains and Losses from the Disposition of Land and Artwork			
10	7160 Other Operating Gains and Losses			
11	Cash or Other Asset Account (Net Selling Price of Depreciable Plant Sold With Traffic)			
12	Cash or Other Asset Account (Net Selling Price of Nondepreciable Plant Sold)			
13	Other Accounts Specified			
14				
15		Totals	$ -	$ 1,652,723

FULL EXPLANATION OF AMOUNTS REPORTED ABOVE ON LINE 13:

B-12C. ANALYSIS OF ENTRIES IN PROPERTY HELD FOR FUTURE TELECOMMUNICATIONS USE (Account 2002)

1. Respondents shall report in column (a) each item amounting individually to $5,000 or more and report all others in the aggregate. Amounts reported on this schedule shall be rounded to the nearest thousand dollars.

2. In column (b) respondents shall enter the date the property was recorded in Account 2002, Property Held for the Future Telecommunications Use.

3. In column (c) respondents shall enter the dollars related to the property identified in column (a) at the beginning of the calendar year covered by the report.

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book cost of Property Beginning of Year (c)
1	N/A		$ -
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
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42			

B-12C. ANALYSIS OF ENTRIES IN PROPERTY HELD FOR FUTURE TELECOMMUNICATIONS USE (Account 2002) (continued)

4. In column (d) and (e) respondents shall enter additions and retirements, respectively.

5. In column (f) respondents shall enter transfers and adjustments and corrections during the calendar year and fully explain each amount recorded in column (f) which exceeds $1,000.

6. In column (g) respondents shall enter the dollars related to the property identified in column (a) remaining Account 2002 at the close of the calendar year.

Line No.	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book cost of Property at End of Year (g)
1	$ -	$ -	$ -	$ -
2				$ -
3				$ -
4				$ -
5				$ -
6				$ -
7				$ -
8				$ -
9				$ -
10				$ -
11				$ -
12				$ -
13				$ -
14				$ -
15				$ -
16				$ -
17				$ -
18				$ -
19				$ -
20				$ -
21				$ -
22				$ -
23				$ -
24				$ -
25				$ -
26				$ -
27				$ -
28				$ -
29				$ -
30				$ -
31				$ -
32				$ -
33				$ -
34				$ -
35				$ -
36				$ -
37				$ -
38				$ -
39				$ -
40				$ -
41				$ -
42				$ -

B-12D. CAPITAL LEASES

1. In column (a) on page 18, the respondent shall list in account number order each category of plant (Class A account level) for which capital leases are recorded.

2. In succeeding columns, respondents shall disclose in column (b) the present value of the lease commitment at the inception of the lease, in column (c) the accumulated amortization at the close of the period covered by the report, and column (d) the net book value balance at the close of the period (column b minus column c).

Line No.	Type of Property (a)	Capitalized Amount (b)	Accumulated Amortization in Account 3410 (c)	Balance (d)
1	DSL Equipment	$ 135,163	$ 63,169	$ 71,994
2				$ -
3				$ -
4				$ -
5				$ -
6				$ -
7				$ -
8				$ -
9				$ -
10				$ -
11				$ -
12				$ -
13				$ -
14				$ -
15				$ -
16				$ -
17				$ -
18				$ -
19				$ -
20				$ -
21				$ -
22				$ -
23				$ -
24				$ -
25				$ -
26				$ -
27				$ -
28				$ -
29				$ -
30	**Total**	$ 135,163	$ 63,169	$ 71,994

B-12D. CAPITAL LEASES (continued)

3. In column (e) on page 19, the respondents shall list in account number each category of plant for which capital leases are recorded. Line numbers on page 2 shall correspond with line numbers on page 18.

4. In column (f) and (g) respondents shall disclose the amount of the lease obligation to be paid during the coming year to the lessor and the remaining long-term lease obligation at the close of the year covered by the report.

5. In column (h), (i) and (j), respondents shall report the annual lease cost components called for in the column headings and paid during the year covered by the report.

Line No.	Type of Property (e)	Lease Obligation: Current Account 4060 (f)	Lease Obligation: Long-Term Account 4250 (g)	Annual Lease Cost Components: Amortization Account 6563 (h)	Annual Lease Cost Components: Interest Account 7520 (i)	Annual Lease Cost Components: Other (j)
1	DSL Equipment	$ 48,522	$ 29,778	$ 32,899	$ 1,551	
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	**Total**	$ 48,522	$ 29,778	$ 32,899	$ 1,551	$ -

B-13A. ANALYSIS OF TELECOMMUNICATIONS PLANT ACQUIRED (Account 1439)

1. Report separately each acquisition with respect to which an amount was included in account 1439 at any time during the year, except that minor acquisitions, each with a purchase price of less than $10,000 accounted for (a) on the basis of cost of acquisition, or (b) on the basis of original cost where there were no entries in account 2005, "Telecommunications Plant Adjustment" may be reported in the aggregate on a separate line for each group.

2. List first the data relating to those acquisitions included in account 1439 at the beginning of the year (except minor acquisitions) and the list data for the acquisition during the year.

			DEBITS DURING THE YEAR			
Line No.	Name of Vendor (a)	Balance at Beginning of the Year (b)	Purchase Price (c)	Reserve Requirement (d)	Acquisitions Expenses (e)	Other (g)
1	N/A					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	**Total**	$ -	$ -	$ -	$ -	$ -

B-13A. ANALYSIS OF TELECOMMUNICATIONS PLANT ACQUIRED (Account 1439) (continued)

3. Provide explanatory footnotes for each amount included in column (j).

4. Clearances of residual credit amounts from account 1439 to account 2005 shall be reported in column (h) enclosed in parentheses.

		CREDITS DURING THE YEAR				
		Amounts Cleared to		Other Clearances		
Line No.	Name of Vendor (a)	Account 2001 (g)	Account 2005 (h)	Acct. No. (i)	Amount (j)	Balance at End Of the Year (k)
1						$ -
2						$ -
3						$ -
4						$ -
5						$ -
6						$ -
7						$ -
8						$ -
9						$ -
10						$ -
11						$ -
12						$ -
13						$ -
14						$ -
15						$ -
16						$ -
17						$ -
18						$ -
19						$ -
20						$ -
21	**Total**	$ -	$ -	$ -	$ -	$ -

B-13B. ANALYSIS OF TELECOMMUNICATIONS PLANT PURCHASED FROM OR SOLD TO AFFILIATES

1. Report separately by affiliate and account number, sales and/or purchases with respect to which an amount was included in Account 2001 at any time during the year. The net book value included in column (f) shall equal gross investment less applicable accumulated depreciation and other appropriate items (column (e)).

2. A "P" in column (a) represents a purchase. An "S" in column (a) represents a sale.

Line No.	Type of Trans. (a)	Name of Affiliate (b)	Original Cost (c)	Accumulated Depreciation (d)	Other (e)	Net Book Value (f)	Fair Market Value (g)	Purchase Price (g)	Sale Price (h)
1	P	TDS Telecom Service Corporation	$ 94,651	$ 20,575	$ -	$ 74,076	$ -	$ 74,076	$ -
2	P	TDS Telecom Service Corporation	$ 22,147	$ 11,073		$ 11,074		$ 11,074	
3	P	Chorus Networks, Inc.	$ 3,118	$ -		$ 3,118		$ 3,118	
4	P	TDS Telecom Service Corporation	$ 152,759	$ 17,831		$ 134,928		$ 134,928	
5	P	Perkinsville Telephone Company, Inc	$ 1,670	$ 42		$ 1,628		$ 1,628	
6	P	Hollis Telephone Company, Inc	$ 2,189	$ 565		$ 1,624		$ 1,624	
7	P	Deposit Telephone Company	$ 6,188	$ 1,238		$ 4,950		$ 4,950	
8	P	Somerset Telephone Company	$ 1,752	$ 1,032		$ 720		$ 720	
9	P	Kearsarge Telephone Company	$ 10,093	$ 5,958		$ 4,135		$ 4,135	
10	P	TDS Communication Services	$ 46,543	$ -		$ 46,543		$ 46,543	
11									
12									
13									
14	S	Strasburg Telephone Company	$ 64,547	$ 61,352		$ 3,195			$ 3,195
15	S	Deposit Telephone Company	$ 172,000	$ 124,151		$ 47,849			$ 47,849
16	S	Happy Valley Telephone Company	$ 6,875	$ 1,293		$ 5,582			$ 5,582
17	S	Kearsarge Telephone Company	$ 20,250	$ 5,012		$ 15,238			$ 15,238
18	S	Nellsville Telephone Company	$ 1,128	$ 212		$ 916			$ 916
19	S	Somerset Telephone Company	$ 3,383	$ 636		$ 2,747			$ 2,747
20	S	Deposit Telephone Company	$ 861	$ 153		$ 708			$ 708
21									
22									
23									
24									
25									
26									
27									
28									
29									

RESERVED

B-14A. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Accounts 3100-3200)

1. Respondents shall enter in column (b) the accumulated depreciation balance at the beginning of the calendar year for each line item in column (a).

2. Respondents shall enter in column (c) the credits to accumulated depreciation as a result of charges to Account 6561, Depreciation Expense, and in column (d) other credits to accumulated depreciation. Other credits shall be noted and explained in a separate sheet accompanying the schedule. In column (e) respondents will enter the total of credits reported in columns (c) and (d).

Line No.	Plant Account (a)	Balance At Beginning Of The Year (b)	Credits During the Year: Charged to Accounts 6561 (c)	Credits During the Year: Other Credits (specified) (d)	Total (e)
	Support Assets				
1	2112 Motor Vehicles	$ 1,276,459	$ 15,314		$ 15,314
2	2113 Aircraft				$ -
3	2114 Special Purpose Vehicles				$ -
4	2115 Garage Work Equipment				$ -
5	2116 Other Work Equipment	$ 269,992	$ 37,111		$ 37,111
6	2121 Buildings	$ 2,282,396	$ 104,851		$ 104,851
7	2122 Furniture	$ 270,081	$ 31,681		$ 31,681
8	2123 Office Equipment	$ 201,820	$ 33,422		$ 33,422
9	2124 General Purpose Computers	$ 515,019	$ 18,048	$ 20,575	$ 38,623
10	Total Support Assets	$ 4,815,767	$ 240,427	$ 20,575	$ 261,002
	Central Office Switching				
11	2211 Analog Electronic Switching				$ -
12	2212 Digital Electronic Switching	$ 7,547,617	$ 744,145	$ 11,073	$ 755,218
13	2215 Electro-Mechanical Switching				$ -
14	2220 Operator System				$ -
15	Total Central Office Switching	$ 7,547,617	$ 744,145	$ 11,073	$ 755,218
	Central Office Transmission				
16	2230 Central Office Transmission	$ 6,893,644	$ 267,276	$ 8,833	$ 276,109
17	Total Central Office Transmission	$ 6,893,644	$ 267,276	$ 8,833	$ 276,109
	Information Origination/Termination				
18	2311 Station Apparatus				$ -
19	2321 Customer Premises Wiring				$ -
20	2341 Large Private Branch Exchanges				$ -
21	2351 Public Telephone Terminal Equipment				$ -
22	2362 Other Terminal Equipment				$ -
23	Total Information Origination/Termination	$ -	$ -	$ -	$ -
	Cable and Wire Facilities				
24	2411 Poles	$ 4,294,555	$ 264,090		$ 264,090
25	2421 Aerial Cable	$ 7,595,851	$ 606,393		$ 606,393
26	2422 Underground Cable	$ 553,851	$ 38,207		$ 38,207
27	2423 Buried Cable	$ 2,176,155	$ 123,406		$ 123,406
28	2424 Submarine Cable				$ -
29	2426 Intrabuilding Network Cable				$ -
30	2431 Aerial Wire	$ 286,795	$ 20,274		$ 20,274
31	2441 Conduit System	$ 441,256	$ 30,607		$ 30,607
32	Total Cable and Wire Facilities	$ 15,348,463	$ 1,082,977	$ -	$ 1,082,977
33	Other Account (specify): 2006	$ 529,048	$ 35,526		$ 35,526
34	**Total**	$ 35,134,539	$ 2,370,351	$ 40,481	$ 2,410,832

Other Credits column d
Account 2124 is the accumulated depreciation from assets purchased from affiliates (see sch. B-13B line 1)
Account 2212 is the accumulated depreciation from assets purchased from affiliates (see sch. B-13B line 2)
Account 2232 is the accumulated depreciation from assets purchased from affiliates (see sch. B-13B lines 5-10)

Other Charges column h
Account 2121 represents the accumulated depreciation from assets moved to account 2230

B-14A. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Accounts 3100-3200) (continued)

3. Respondents shall report in column (f) and (h) charges (debits) to accumulated depreciation for plant sold with traffic and other plant retired, respectively. In column (h) respondents shall report other charges (debits) to accumulated depreciation. Other charges (debits) shall be noted and explained in a separate sheet accompanying the schedule. In column (i) respondents will enter the total of charges (debits) reported in columns (f), (g), and (h). In column (j) respondents shall report the balance at the close of the calendar year for each item in column (a).

Line No.	For Plant Sold with Traffic (see col. (p)) (f)	Charges During the Year: For Other Plant Retired (see col. (V)) (g)	Charges During the Year: Other Charges (specify) (h)	Total (i)	Balance at End Of The Year (j)
1	$ -	$ 145,470		$ 145,470	$ 1,146,303
2	$ -	$ -		$ -	$ -
3	$ -	$ -		$ -	$ -
4	$ -	$ -		$ -	$ -
5	$ -	$ 12,478	$ 917	$ 13,395	$ 293,708
6	$ -	$ -	$ 32,464	$ 32,464	$ 2,354,783
7	$ -	$ -		$ -	$ 301,762
8	$ -	$ -		$ -	$ 235,242
9	$ -	$ 335,518		$ 335,518	$ 218,124
10	$ -	$ 493,466	$ 33,381	$ 526,847	$ 4,549,922
11	$ -	$ -		$ -	$ -
12	$ -	$ 266,047		$ 266,047	$ 8,036,788
13	$ -	$ -		$ -	$ -
14	$ -	$ -		$ -	$ -
15	$ -	$ 266,047	$ -	$ 266,047	$ 8,036,788
16	$ -	$ 600,045	$ (33,381)	$ 566,664	$ 6,603,089
17	$ -	$ 600,045	$ (33,381)	$ 566,664	$ 6,603,089
18	$ -	$ -		$ -	$ -
19	$ -	$ -		$ -	$ -
20	$ -	$ -		$ -	$ -
21	$ -	$ -		$ -	$ -
22	$ -	$ -		$ -	$ -
23	$ -	$ -	$ -	$ -	$ -
24	$ -	$ (64,198)		$ (64,198)	$ 4,622,843
25	$ -	$ 86,002		$ 86,002	$ 8,116,242
26	$ -	$ -		$ -	$ 592,058
27	$ -	$ 551		$ 551	$ 2,299,010
28	$ -	$ -		$ -	$ -
29	$ -	$ -		$ -	$ -
30	$ -	$ 1,350		$ 1,350	$ 305,719
31	$ -	$ -		$ -	$ 471,863
32	$ -	$ 23,705	$ -	$ 23,705	$ 16,407,735
33	$ -	$ 33,018		$ 33,018	$ 531,556
34	$ -	$ 1,416,281	$ -	$ 1,416,281	$ 36,129,090

B-14A. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Accounts 3100-3200) (continued)

4. Respondents shall enter in column (m) through (p) the data requested in the column headings for plant sold with traffic which was reported in column (f).

5. Respondents shall enter in column (q) through (v), the data requested for other plant retired, which was requested in column (g).

6. Each column shall be subtotaled in the spaces provided.

Line No.	Plant Account (l)	DATA RELATING TO PLANT SOLD WITH TRAFFIC (see column (f)) Book Cost (m)	Selling Price (n)	Commissions and Other Expenses (o)	Charge to Reserve (p)
	Support Assets				
1	2112 Motor Vehicles				$ -
2	2113 Aircraft				$ -
3	2114 Special Purpose Vehicles				$ -
4	2115 Garage Work Equipment				$ -
5	2116 Other Work Equipment				$ -
6	2121 Buildings				$ -
7	2122 Furniture				$ -
8	2123 Office Equipment				$ -
9	2124 General Purpose Computers				$ -
10	Total Support Assets	$ -	$ -	$ -	$ -
	Central Office Switching				
11	2211 Analog Electronic Switching				$ -
12	2212 Digital Electronic Switching				$ -
13	2215 Electro-Mechanical Switching				$ -
14	2220 Operator System				$ -
15	Total Central Office Switching	$ -	$ -	$ -	$ -
	Central Office Transmission				
16	2230 Central Office Transmission				$ -
17	Total Central Office Transmission	$ -	$ -	$ -	$ -
	Information Origination/Termination				
18	2311 Station Apparatus				$ -
19	2321 Customer Premises Wiring				$ -
20	2341 Large Private Branch Exchanges				$ -
21	2351 Public Telephone Terminal Equipment				$ -
22	2362 Other Terminal Equipment				$ -
23	Total Information Origination/Termination	$ -	$ -	$ -	$ -
	Cable and Wire Facilities				
24	2411 Poles				$ -
25	2421 Aerial Cable				$ -
26	2422 Underground Cable				$ -
27	2423 Buried Cable				$ -
28	2424 Submarine Cable				$ -
29	2426 Intrabuilding Network Cable				$ -
30	2431 Aerial Wire				$ -
31	2441 Conduit System				$ -
32	Total Cable and Wire Facilities	$ -	$ -	$ -	$ -
33	Other Account (specify): 2006				$ -
34	**Total**	$ -	$ -	$ -	$ -

B-14A. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Accounts 3100-3200) (continued)

Line No.	Charge (or Credit) to Surplus (q)	Book Cost (r)	Cost of Removal (s)	Salvage and Insurance (t)	Miscellaneous Adjustments (u)	Net Charge to Reserve (v)
	DATA RELATING TO OTHER PLANT RETIRED (see Col. (g))					
1		$ 149,602		$ 4,132		$ 145,470
2						$ -
3						$ -
4						$ -
5		$ 12,478				$ 12,478
6						$ -
7						$ -
8						$ -
9		$ 335,518				$ 335,518
10	$ -	$ 497,598	$ -	$ 4,132	$ -	$ 493,466
11						$ -
12		$ 313,757	$ 139	$ 47,849		$ 266,047
13						$ -
14						$ -
15	$ -	$ 313,757	$ 139	$ 47,849	$ -	$ 266,047
16		$ 628,432		$ 28,387		$ 600,045
17	$ -	$ 628,432	$ -	$ 28,387	$ -	$ 600,045
18						$ -
19						$ -
20						$ -
21						$ -
22						$ -
23	$ -	$ -	$ -	$ -	$ -	$ -
24		$ 38,624	$ 30,661	$ 133,483		$ (64,198)
25		$ 64,866	$ 21,136			$ 86,002
26						$ -
27			$ 551			$ 551
28						$ -
29						$ -
30		$ 742	$ 608			$ 1,350
31						$ -
32	$ -	$ 104,232	$ 52,956	$ 133,483	$ -	$ 23,705
33		$ 108,704		$ 75,686		$ 33,018
34	$ -	$ 1,652,723	$ 53,095	$ 289,537	$ -	$ 1,416,281

B-14B. BASES OF CHARGES FOR DEPRECIATION

1. Report under each of the plant accounts in column (a) all subclasses of plant for which a depreciation rate is determined and a subtotal for each primary account.

2. The net salvage factors in column (d) shall be shown as a percentage of original cost.

3. A "W" in column (b) indicates a whole life rate in column (f), an average service life in column (c) and average net salvage in column (d); and "R" indicates a remaining life rate in column (f), an average remaining life in column (c), a future net salvage in column (d).

4. For each plant account, report in column (f) the prescribed depreciation rate or those used by the utility in accordance with USOA.

5. The depreciation rate in column (f) for primary plant accounts for which subclasses or vintages are used, the life in column (c), net salvage percentage in column (d) and the accumulated depreciation percentage in column (e) are to be composite so that the resulting calculated composite rate produces the same charge to operating expenses as the sum of the individual rates applied to the individual classes of plant.

Line No.	Primary Acct. No.	Name or Description of Subclass (a)	Whole or Remaining Life (b)	Life (Years) (c)	*Net Salvage (%) (d)	Depreciation *Reserve (%) (e)	Depreciation **Rate (%) (f)	Ratio of Depreciation Charges to Avg. Monthly Book Cost (%) (g)
1	2112	MOTOR VEHICLES	W	7	0.0%	94.46%	15.00%	1.22%
2	2115	GARAGE WORK EQUIPMENT						
3	2116	OTHER WORK EQUIPMENT	W	10	0.0%	79.24%	10.00%	10.03%
4	2121	BUILDINGS	W	34	0.0%	60.58%	2.90%	2.68%
5	2122	FURNITURE	W	15	0.0%	64.77%	6.80%	6.80%
6	2123	OFFICE EQUIPMENT	W	10	0.0%	70.38%	10.00%	10.00%
7	2124	GENERAL PURPOSE COMPUTERS	W	5	0.0%	78.19%	20.00%	4.86%
8	2212	CENTRAL OFFICE EQUIPMENT - SWITCH	W	11	0.0%	96.21%	9.10%	8.86%
9	2232	CIRCUIT EQUIPMENT	W	8	0.0%	82.36%	11.90%	3.32%
10	2411	POLES	W	20	0.0%	81.98%	4.90%	4.88%
11	2421	AERIAL CABLE	W	22	0.0%	60.95%	4.60%	4.60%
12	2422	UNDERGROUND CABLE	W	27	0.0%	57.34%	3.70%	3.70%
13	2423	BURIED CABLE	W	29	0.0%	63.29%	3.50%	3.49%
14	2431	AERIAL WIRE	W	17	0.0%	89.09%	5.90%	5.90%
15	2441	CONDUIT SYSTEM	W	38	0.0%	40.07%	2.60%	2.60%
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29	*Composite rate for all depreciable accounts						6.75%	XXXXXXX
30	**Composite rate for all plant accounts included in Account 2001						6.75%	XXXXXXX
31								
32	Ratio to all Depreciable accounts							4.88%
33	Ratio to all plant accounts included in Account 2001							4.84%

B-15. ANALYSIS OF ENTRIES IN ACCUMULATED AMORTIZATION (Accounts 3410, 3420, 3500, 3600

1. For each account identified in the column headings for column (b) through (e), respondents shall enter credits to accumulated amortization for charges to the account identified in column (a). If charges are made to an account not specified in column (a), respondents shall insert the account number and title in the space provided in column (a) and the amounts in the appropriate column.

2. At the bottom of the schedule respondents shall describe how the annual amortization charges were determined for amounts reported in columns (d) and (e).

Line No.		Particulars (a)	Amounts Applicable to Account 3410 (b)	Amounts Applicable to Account 3420 (c)	Amounts Applicable to Account 3500 (d)	Amounts Applicable to Account 3600 (e)
1		Balance at beginning of the year	$ 31,086	$ 477		
		ADDITIONS DURING THE YEAR				
		Charged or (credited) to account:				
2	7160	Other Operating Gains and Losses				
3	7300	Non-operating Income				
4	6563.1	Amortization Expense - Capitalized leases	$ 32,083			
5	6563.2	Amortization Expense - Leasehold Improvements		$ 817		
6	6564	Amortization Expense - Intangible				
7	6565	Amortization Expense - Other				
		Other Accounts (specify):				
8		7360-Nonoperating Income				
9						
10						
11		Total additions during the Year	$ 32,083	$ 817	$ -	$ -
		CLEARANCES DURING THE YEAR				
		Clearance for account:				
12	2005	Telecom. Plant Adjustment				
13	2681	Capital Leases				
14	2682	Leasehold Improvements				
15						
		Other Accounts (specify):				
16						
17						
18						
19		Total clearances during the year	$ -	$ -	$ -	$ -
20		Balance at end of year	$ 63,169	$ 1,294	$ -	$ -

BASIS OF ANNUAL AMORTIZATION CHARGES

B-16. STATEMENT OF CASH FLOWS

1. Report below by source the amounts applicable to increase and decrease in cash and cash equivalents for the year.

2. For all compound amounts reported, a separate schedule is to be prepared with detail breakdown indicating applicable balance sheet accounts and amounts

Line No.	Description of Item (a)	Amount (b)	Amount (c)
	Increase/(Decrease) in Cash and Cash Equivalents		
	Cash flows from Operating Activities:		
1	Net Income		$ 1,053,242
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
2	Depreciation and Amortization	$ 2,597,912	
3	Provision for Losses for Accounts Receivable	$ 900	
4	Deferred Income Taxes - Net	$ 151,504	
5	Unamortized ITC - Net		
6	Allowance for Funds Used During Construction		
7	Net Change in Operating Receivables	$ (288,362)	
8	Net Change in Materials, Supplies and Inventories	$ 3,976	
9	Net Change in Operating Payables and Accrued Liabilities	$ (527,937)	
10	Net Change in Other Assets and Deferred Charges	$ (299,489)	
11	Net Change in Other Liabilities and Deferred Credits	$ 76,695	
12	Other (explained)		
13	Total Adjustments		$ 1,715,199
14	Net Cash provided by (used in) Operating Activities	XXXXXXXXXX	$ 2,768,441

B-16. STATEMENT OF CASH FLOWS (Continued)

Line No.	Description of Item (a)	Amount (b)	Amount (c)
	Total from preceding page	XXXXXXXXXX	$ 2,768,441
	Cash Inflows (Outflows) from Investing Activities	XXXXXXXXXX	
15	Construction/Acquisition for Property, Plant and Equipment (Net of Allowance of funds, Used During Construction and Capital Lease Related Acquisitions)	(1,740,052)	
16	Proceeds from Disposals of Property, Plant and Equipment	$ 236,442	
17	Investments in and Advances in Affiliates		
18	Proceeds from Repayment of Advances		
19	Other Investing Activities (explained) - Non-regulated investments	$ 355,665	
20	Net Cash Provided by (Used In) Investing Activities	XXXXXXXXXX	$ (1,147,945)
		XXXXXXXXXX	
	Cash flows from Financing Activities	XXXXXXXXXX	
21	Net Increase/Decrease in Short-Term Debt with Original Maturities of Three Months or Less		
22	Advances from Affiliates		
23	Repayment of Advances form Affiliates		
24	Proceeds from Long-Term Debt		
25	Repayment of Long-Term Debt	$ (5,452,770)	
26	Payment of Capital Lease Obligations	$ 19,025	
27	Proceeds from Issuing Common Stock/Equity Investment for Parent	$ 900,000	
28	Repurchase of Treasury Shares		
29	Dividends Paid	$ (825,000)	
30	Other Financing Activities (explained)		
31	Net Cash Provided by Financing Activities		$ (5,358,745)
		XXXXXXXXXX	
32	Effect of Exchange Rate Changes on Cash	XXXXXXXXXX	
		XXXXXXXXXX	
33	Net Increase/(Decrease) in Cash and Cash Equivalents	XXXXXXXXXX	$ (3,738,249)
		XXXXXXXXXX	
34	Cash and Cash Equivalents at Beginning of Period	XXXXXXXXXX	$ 4,802,002
		XXXXXXXXXX	
35	Cash and Cash Equivalents at End of Period	XXXXXXXXXX	$ 1,063,753

Notes:

B-17. RECEIVABLES AND INVESTMENTS - AFFILIATED AND NONAFFILIATED COMPANIES

1. Respondents shall name the affiliated company in column (a) and for each account identified in columns (b) through (j), disclose the account balances attributable to affiliate at the close of the calendar year covered by the report.

2. Respondents shall report in the aggregate for each account identified in column (b) through (i) and column (k) receivables and investments in nonaffiliated companies. For the purpose of this schedule, nonaffiliated companies shall include any company in which the respondent has an ownership interest which does not meet the definition of an affiliated company set out in PART Puc 409. This schedule shall not include telecommunications accounts receivable from other customers.

Line No.	Name (a)	Account 1160 Investment (b)	Account 1180 Telecom. Receivable (c)	Account 1181 Accts. Receivable Allowance (d)	Account 1190.1 Account 1190.2 Receivable (e)	Account 1191 Accounts Allowance-Other (f)
1	Affiliated Companies					
2	Amelia Telephone Corporation				$ 371	
3	Perkinsville Telephone Company, Inc.				$ 63	
4	Northfield Telephone Company				$ 201	
5	Kearsarge Telephone Company				$ 24,685	
6	TDS Telecommunications Corporation				$ 161,718	
7	Hollis Telephone Company, Inc.				$ 1,883	
8	Wilton Telephone Company, Inc.				$ 2,318	
9	MCT Communications, Inc.,				$ 16,315	
10	Ludlow Telephone Company				$ 349	
11	Quincy Telephone Company				$ 903	
12	Arcadia Telephone Company				$ 55	
13	New Castle Telephone Company				$ 155	
14	The Vanlue Telephone Company				$ 53	
15	TDS Long Distance Corporation				$ 23,078	
16	Continental Telephone Company				$ 161	
17	Hot Springs Telephone Company				$ 146	
18	Subtotals from supplemental page	$ -			$ 204,728	
19	Total Affiliated Balance	$ -	$ -	$ -	$ 437,182	$ -
20	Nonaffiliated Companies					
21	Investments:					
22	Rural Telephone Bank					
23						
24	Other					
25						
26						
27						
28	Telco Accounts Receivable		$ 1,250,219	$ (13,900)	$ 1,111,089	$ (55,800)
29						
30	Other A/R - General				$ 180,503	
31						
32						
33						
34						
35						
36						
37						
38	Accrual					
39	Accrual					
40	Total Nonaffiliated Balance	$ -	$ 1,250,219	$ (13,900)	$ 1,291,592	$ (55,800)

B-17. RECEIVABLES AND INVESTMENTS - AFFILIATED AND NONAFFILIATED COMPANIES (cont.)

3. For each affiliate named in column (a) enter in column (l) the following codes which reflect the nature of the receivable or investment.

"A-1" Stock of active telephone companies; "A-2" Stocks for inactive telephone companies; "A-3" Stocks of other companies; "B" Long-term securities owned; "C" Investment advances; "D" Other. Each of the required classifications and totals for each code shall be shown on a separate line. (An inactive company is one which has been practically absorbed in a controlling company, and which neither operates property nor administers it financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.)

Line No.	Account 1200.1 Account 1200.2 Notes (g)	Account 1201 Notes Receivable (h)	Account 1210 Int. & Div. (i)	Account 1401 Investments in Affiliated (j)	Account 1402 Investments in Nonaffiliated (k)	Class (l)
1						
2						D
3						D
4						D
5						D
6						D
7						D
8						D
9						D
10						D
11						D
12						D
13						D
14						D
15						D
16						D
17						D
18						
19	$ -	$ -	$ -	$ -	$ -	
20						
21						
22					$ 900,000	
23						
24			$ 3,758			
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
39						
40	$ -	$ -	$ 3,758	$ -	$ 900,000	

B-17. RECEIVABLES AND INVESTMENTS - AFFILIATED AND NONAFFILIATED COMPANIES Cont'c

1. Respondents shall name the affiliated company in column (a) and for each account identified in columns (b) through (j), disclose the account balances attributable to affiliate at the close of the calendar year covered by the report.

2. Respondents shall report in the aggregate for each account identified in column (b) through (i) and column (k) receivables and investments in nonaffiliated companies. For the purpose of this schedule, nonaffiliated companies shall include any company in which the respondent has an ownership interest which does not meet the definition of an affiliated company set out in PART Puc 409. This schedule shall not include telecommunications accounts receivable from other customers.

Line No.	Name (a)	Account 1160 Investment (b)	Account 1180 Telecom. Receivable (c)	Account 1181 Accts. Receivable Allowance (d)	Account 1190.1 Account 1190.2 Receivable (e)	Account 1191 Accounts Allowance-Other (f)
1	Affiliated Companies					
2	Oakwood Telephone Company				$ 82	
3	TDS Telecommunications Corporation				$ 204,646	
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19	Sub-Totals Forward:	$ -	$ -	$ -	$ 204,728	$ -
20	Nonaffiliated Companies					
21	Investments:					
22						
23						
24						
25						
26						
27						
28	Telco Accounts Receivable					
29						
30	Other A/R - General					
31						
32						
33						
34						
35						
36						
37						
38	Accrual					
39	Accrual					
40	Total Nonaffiliated Balance	$ -	$ -	$ -	$ -	$ -

B-17. RECEIVABLES AND INVESTMENTS - AFFILIATED AND NONAFFILIATED COMPANIES (cont.)

3. For each affiliate named in column (a) enter in column (l) the following codes which reflect the nature of the receivable or investment.

"A-1" Stock of active telephone companies; "A-2" Stocks for inactive telephone companies; "A-3" Stocks of other companies; "B" Long-term securities owned; "C" Investment advances; "D" Other. Each of the required classifications and totals for each code shall be shown on a separate line. (An inactive company is one which has been practically absorbed in a controlling company, and which neither operates property nor administers it financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.)

Line No.	Account 1200.1 Account 1200.2 Notes (g)	Account 1201 Notes Receivable (h)	Account 1210 Int. & Div. (i)	Account 1401 Investments in Affiliated (j)	Account 1402 Investments in Nonaffiliated (k)	Class (l)
1						
2						D
3						D
4						D
5						D
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19	$ -	$ -	$ -	$ -	$ -	
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
39						
40	$ -	$ -	$ -	$ -	$ -	

B-18. OTHER PREPAYMENTS (Account 1330)

1. Identify and report below end of year balances for all prepayments included in account 1330.

Line No.	Description (b)	Year End Balance (c)
1	MAPCOM software maintenance	$ 17,900
2	Controlled Power remote generator maintenance	$ 876
3	Telephone Association of New England annual dues	$ 663
4	Tele-Media prepaid advertising	$ 7,475
5	NECA TRS	$ 5,565
6	TDS Telecom Service Corporation	$ 296,400
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	Total	$ 328,879

B-19. OTHER CURRENT ASSETS (Account 1350)

1. Identify and report below end of year balances for each other current assets included in account 1350.

Line No.	Description (b)	Year End Balance (c)
1	Rural Telephone Finance Cooperative	$ 273,927
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	Total	$ 273,927

B-20. SINKING FUNDS (Account 1408)

1. Report below balances at end of year of each sinking fund maintained during the year.
2. Explain for each fund any deductions other than withdrawals for the purpose for which the fund was created.
3. If the trustee of any fund is an associated company, give name of such associated company.
4. If assets other than cash comprise any fund, furnish a list of the securities or other assets, giving interest or dividend rate of each, cost to respondent, number of shares or principal amount, and book cost at end of year.

Line No.	Account No. (a)	Name of Fund and Trustee if any (b)	Year End Balance (c)
1		N/A	
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
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21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39		Total	$ -

B-21. OTHER NONCURRENT ASSETS (Account 1410)

1. Identify and report below balances at end of year for each noncurrent asset included in account 1410.

Line No.	Account No. (a)	Description (b)	Year End Balance (c)
1	1437100	Regulatory Asset	$ 55,469
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39		Total	$ 55,469

B-22. DEFERRED CHARGES (Accounts 1438, 1439)

1. Respondents shall disclose in separate sections for Accounts 1438 and 1439, the amounts deferred for each item amounting individually to $500 or more.

2. Any balancing amount applicable to each account shall be shown on the line Aggregate of All Other Items, which is the line immediately preceding the total line for each account.

Line No.	Description of Item (a)	Amount at end of the Year (b)
1	Account 1438	
2	N/A	
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	Aggregate of All Other Items	
19		
20	**Total**	$ -
21	Account 1439	
22	N/A	
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Aggregate of All Other Items	
39		
40	**Total**	$ -

B-23. UNAMORTIZED DEBT ISSUANCE EXPENSE (Account 1407)

1. Report under applicable subheading the particulars of Unamortized Issuance Expense.
2. Show premium amount by enclosure in parentheses.
3. In column (b) show the principal amount of bonds or other long term debt original issued.
4. In column (c) show the expense, associated with the issuance and sale of evidence of debt.
5. Explain any debits and credits other than amortization debited to Account 7530, Amortization of Debt Issuance Expense.

Line No.	Designation of Long Term Debt (a)	Principal Amount of Securities (b)	Total debt Issuance Expense (c)	AMORTIZATION PERIOD From (d)	AMORTIZATION PERIOD To (e)	Balance Beginning of Year (f)	Debits During Year (g)	Charged to Account 7530 (h)	Balance end of Year (i)
1	Legal Fees for RTFC Loan	$ 6,000,000	$ 45,893	June 2002	March 2008	$ 25,779	$ (21,847)	$ 3,932	$ -
2									$ -
3									$ -
4									$ -
5									$ -
6									$ -
7									$ -
8									$ -
9									$ -
10									$ -
11									$ -
12									$ -
13									$ -
14									$ -
15									$ -
16									$ -
17									$ -
18	TOTALS	$ 6,000,000	$ 45,893			$ 25,779	$ (21,847)	$ 3,932	$ -

Paid off all Long Term Debt in June 2005 and wrote off remaining Debt Issuance to account 7360.2

B-24. LONG-TERM DEBT (Accounts 4210, 4260 AND 4270]

1. Respondent shall disclose in account number order in column (a) a description of the long-term obligation, including those maturing in the coming year.

2. In column (b), (c), and (d), respectively, respondents shall enter the nominal date if issue, the date of maturity and the face amount outstanding.

3. In column (c), respondent shall enter the amount of unamortized premium or discount.

4. In column (f) and (g), respectively, the respondents shall enter the state rate and the yield rate.

5. In column (h) and (i), respectively, respondents shall enter the current and long-term portions reduced or increased by any unamortized discount or premium as of the close of the calendar year and subtotaled.

6 In column (j) enter the amount of interest charged to account 7510 for each obligation.

Line No.	Description of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short-Term Portion (h)	Long-Term Portion (i)	Account 7510 Interest on Funded Debt (j)
1	Rural Telephone Finance C	7/28/1995	2010	$ -		4.65%	5.55%			$ 27,474
2	Rural Telephone Finance C	1/29/1998	2008	$ -		7.65%	7.65%			$ 52,001
3	Rural Telephone Finance C	1/29/1998	2008	$ -		4.65%	5.55%			$ 18,567
4	Rural Telephone Finance C	7/26/1994	2009	$ -		9.00%	5.55%			$ 73,802
5										
6										
7										
8										
9										
10										
11										
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21										
22										
23										
24										
25										
26										
27										
28	Total			$ -	$ -			$ -	$ -	$ 171,844

B-25. NOTES PAYABLE (Account 4020)

1. In column (a) respondents shall list name of creditor, specify whether non affiliate or affiliate.

2. In column (b) describe type of indebtedness, notes, draft and other evidences of indebtedness.

3. In column (c), (d), (e) and (f) respectively, respondents shall enter the date of issue, date of maturity, amount at end of year and the interest rate per annum.

4 In column (g) indicate the amout of interest charged to account 7540 for each transaction.

Line No.	Name of Creditor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of the Year (e)	Interest Rate Per Annum (f)	Interest Expense Acct 7540 (g)
1	N/A				$ -		
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19	Aggregate of all other items					XXX	
20	Total				$ -	XXX	$ -

B-26. ACCOUNTS PAYABLE (Accounts 4010, 4120 and 4130)

In separate sections of column (a) for payables to affiliates and for other accounts payable, respondents shall identify in the respective sections the name of each affiliate creditor, and the name of each other creditor with the ten largest payables in excess of $10,000.

Line No.	Description of Item (a)	Amount at end of the Year (b)
	Account 4010 Accounts Payable	
1	Communications Corporation of Indiana	$ 1,321
2	Waunakee Telephone Company, LLC	$ 312
3	Kearsarge Telephone Company	$ 7,285
4	Telephone and Data Systems, Inc.	$ 4,788
5	MCT Communications Inc.	$ 5,538
6	TDS Telecom Service Corporation	$ 638,243
7	Vernon Telephone Company, Inc.	$ 912
8	Somerset Telephone Company	$ 1,669
9	Subtotals from supplemental page	$ 700,203
10	Aggregate of all other items	$ 133,571
		$ 1,493,842
	Account 4120 Other Accrued Liabilities	
11	Accrued payroll	$ 79,766
12		
13		
14		
15		
16		
17		
18		
19		
20	Aggregate of all other items	$ (2,375)
	Total	$ 77,391
	Account 4130 Other Current Liabilities	
21	Universal Service Administrative Company	$ 21,392
22	Employee Benefit Programs	
23	Accrued Vacation	$ 52,801
24	Recriprocal Comp	$ 10,840
25	New Hampshire Electric Pole Rent	$ 5,520
26		
27		
28		
29		
30	Aggregate of all other items	$ 1,189
	Total	$ 91,742

B-26. ACCOUNTS PAYABLE (Accounts 4010, 4120 and 4130) Cont'd

In separate sections of column (a) for payables to affiliates and for other accounts payable, respondents shall identify in the respective sections the name of each affiliate creditor, and the name of each other creditor with the ten largest payables in excess of $10,000.

Line No.	Description of Item (a)	Amount at end of the Year (b)
	Account 4010 Accounts Payable	
1	NECA	$ 656,340
2	VERIZON	$ 20,613
3	CALIX NETWORKS INC.	$ 13,112
4	SPRINT/NORTH SUPPLY	$ 10,138
5		
6		
7		
8		
9		
10		
	Sub-Totals Forward:	$ 700,203
	Account 4120 Other Accrued Liabilities	
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	Aggregate of all other items	
	Total	$ -
	Account 4130 Other Current Liabilities	
21		
22		
23		
24		
25		
26		
27		
28		
29		
30	Aggregate of all other items	
	Total	$ -

B-29. OTHER LONG-TERM LIABILITIES (Account 4310)

1. Respondents shall disclose the data for each item in the account amounting individually to $10,000 or more.

2. Respondents shall disclose remaining amounts in the aggregate.

Line No.	Description of Item (a)	Amount at End of the Year (b)
1	Unfunded post retirement beneifts	$ 61,374
2		
3		
4		
5		
6		
7		
8		
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10		
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41		
42		
43		
44		
45	Aggregate of All Other Items	
46	**Total**	$ 61,374

B-30A. OTHER DEFERRED CREDITS (Accounts 4360)

1. Respondents shall disclose the data for each item in the account amounting individually to $10,000 or more.

2. Respondents shall disclose remaining amounts in the aggregate.

Line No.	Description of Item (a)	Amount at End of the Year (b)
1	Deferred TDSNet Revenues	$ 97,236
2		
3		
4		
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41		
42		
43		
44	Aggregate of Balances in Clearing Accounts not Itemized Above	
45	Aggregate of All Other Items	
46	**Total**	$ 97,236

B-30B. NET DEFERRED OPERATING INCOME TAXES (Accounts 4100 and 4340)

1. In column (b) respondents shall provide the beginning balance for the year for each of the line items in column (a).

2. In columns (c) and (d) respondents shall provide the account numbers and amounts, respectively for current year deferrals.

3. In column (e) respondents shall provide the amounts for the current year amortizations.

4. In column (f) respondents shall provide the adjustments debits or (credit) made to the items in column (a) if the adjustment amounts to $10,000 or more. Each adjustment shall also be explained at the bottom of this schedule.

5. In column (g) respondents shall provide the ending balance for the year.

Line No.	Particulars (a)	Balance at Beginning of Year (b)	Account (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	PROPERTY RELATED						
	NET CURRENT OPERATING INCOME TAXES (Account 4100)						
	Provision for Deferred Operating Income Taxes-Net						
1	Federal Income Taxes						$ -
2	State and Local Income Taxes						$ -
3	Total Net Current Operating Income Taxes (Account 4100)	$ -	7250	$ -	$ -	$ -	$ -
	NET NON-CURRENT OPERATING INCOME TAXES (Account 4340)						
	Provision for Deferred Operating Income Taxes-Net						
4	Federal Income Taxes	$ 1,098,266			$ 242,560	$ (245,449)	$ 1,101,155
5	State and Local Income Taxes	$ 95,748			$ 31,779	$ (60,992)	$ 124,961
6	Total Net Non-Current Operating Income Taxes (Account 4340)	$ 1,194,014	7250	$ -	$ 274,339	$ (306,441)	$ 1,226,116
7	**TOTAL PROPERTY RELATED DEFERRED OPERATING INCOME TAXES**	$ 1,194,014		$ -	$ 274,339	$ (306,441)	$ 1,226,116
	NONPROPERTY RELATED						
	NET CURRENT OPERATING INCOME TAXES (Account 4100)						
	Provision for Deferred Operating Income Taxes-Net						
8	Federal Income Taxes	$ (38,180)			$ 288	$ (16,147)	$ (22,321)
9	State and Local Income Taxes	$ (10,134)			$ 77	$ (4,286)	$ (5,925)
10	Total Net Current Operating Income Taxes (Account 4100)	$ (48,314)	7250	$ -	$ 365	$ (20,433)	$ (28,246)
	NET NON-CURRENT OPERATING INCOME TAXES (Account 4340)						
	Provision for Deferred Operating Income Taxes-Net						
11	Federal Income Taxes	$ 563,976		$ 55,009	$ 1,615	$ (10,994)	$ 628,364
12	State and Local Income Taxes	$ 147,547		$ 14,600		$ (2,918)	$ 165,065
13	Total Net Non-Current Operating Income Taxes (Account 4340)	$ 711,523	7250	$ 69,609	$ 1,615	$ (13,912)	$ 793,429
14	**TOTAL NONPROPERTY RELATED DEFERRED OPERATING INCOME TAXES**	$ 663,209		$ 69,609	$ 1,980	$ (34,345)	$ 765,183
15	**TOTAL DEFERRED OPERATING INCOME TAXES**	$ 1,857,223		$ 69,609	$ 276,319	$ (340,786)	$ 1,991,299

All amounts in adjustment column (column (f)) are related to the 2003 & 2004 book-to-tax adjustment.

B-30C. NET DEFERRED NON-OPERATING INCOME TAXES (Accounts 4110 and 4350)

1. In column (b) respondents shall provide the beginning balance for the year for each of the line items in column (a).
2. In columns (c) and (d) respondents shall provide the account numbers and amounts, respectively for current year deferrals.
3. In column (e) respondents shall provide the amounts for the current year amortizations.
4. In column (f) respondents shall provide the adjustments debits or (credit) made to the items in column (a) if the adjustment amounts to $10,000 or more. Each adjustment shall also be explained at the bottom of this schedule.
5. In column (g) respondents shall provide the ending balance for the year.

Line No.	Particulars (a)	Balance at Beginning of Year (b)	Account (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	PROPERTY RELATED						
	NET CURRENT NON-OPERATING INCOME TAXES (Account 4110)	$ -		$ -	$ -	$ -	$ -
	Provision for Deferred Non-Operating Income Taxes-Net	N/A					
1	Federal Income Taxes		7450				$ -
2	State and Local Income Taxes		7450				$ -
	Deferred Income Tax Effect of Extraordinary Items-Net						
3	Federal Income Taxes		7640				$ -
4	State and Local Income Taxes		7640				$ -
5	Total Net Current Non-Operating Income Taxes (Account 4110)	$ -		$ -	$ -	$ -	$ -
	NET NONCURRENT NON-OPERATING INCOME TAXES (Account 4350)						
	Provision for Deferred Non-Operating Income Taxes-Net						
6	Federal Income Taxes		7450				$ -
7	State and Local Income Taxes		7450				$ -
	Deferred Income Tax Effect of Extraordinary Items-Net						
8	Federal Income Taxes		7640				$ -
9	State and Local Income Taxes		7640				$ -
10	Total Net Noncurrent Non-Operating Income Taxes (Account 4350)	$ -		$ -	$ -	$ -	$ -
11	**TOTAL PROPERTY RELATED DEFERRED NON-OPERATING INCOME TAXES**	$ -		$ -	$ -	$ -	$ -

B-30C. NET DEFERRED NON-OPERATING INCOME TAXES (Accounts 4110 and 4350) (continued)

Line No.	Particulars (a)	Balance at Beginning of Year (b)	Account (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	NONPROPERTY RELATED						
	NET CURRENT NON-OPERATING INCOME TAXES (Account 4110)	$ -		$ -	$ -	$ -	$ -
	Provision for Deferred Non-Operating Income Taxes-Net	N/A					
12	Federal Income Taxes		7450				$ -
13	State and Local Income Taxes		7450				$ -
	Deferred Income Tax Effect of Extraordinary Items-Net						
14	Federal Income Taxes		7640				$ -
15	State and Local Income Taxes		7640				$ -
16	Total Net Current Non-Operating Income Taxes (Account 4110)	$ -		$ -	$ -	$ -	$ -
	NET NONCURRENT NON-OPERATING INCOME TAXES (Account 4350)						
	Provision for Deferred Non-Operating Income Taxes-Net						
17	Federal Income Taxes		7450				$ -
18	State and Local Income Taxes		7450				$ -
	Deferred Income Tax Effect of Extraordinary Items-Net						
19	Federal Income Taxes		7640				$ -
20	State and Local Income Taxes		7640				$ -
21	Total Net Noncurrent Non-Operating Income Taxes (Account 4350)	$ -		$ -	$ -	$ -	$ -
22	**TOTAL NONPROPERTY RELATED DEFERRED NON-OPERATING INCOME TAXES**	$ -		$ -	$ -	$ -	$ -

RESERVED

B-31. RETAINED EARNINGS (Account 4550)

1. List all reserves or appropriations of retained earnings and provide an explanation for any charges that have taken place in these reserves.

Line No.	(a)	Amount at End of Year (b)
1	Retained Earnings - Reserved - Balance January 1, 2003	
2	Current Year Changes	
3	Retained Earnings - Reserved - Balance December 31, 2003	$ -
4		
5	Retained Earnings - Unreserved	
6	Balance January 1	$ 13,128,137
7	Net Income From Schedule B-11	$ 1,053,242
8	Other Increases (Itemize)	
9	Total Increases to Retained Earnings	$ 1,053,242
10	Decreases to Unreserved Retained Earnings	
11	Net Loss From Schedule B-11	
12	Dividends Paid and Declared (Schedule B-32)	$ 825,000
13	Other Decreases (Itemize)	
14	Total Decreases to Retained Earnings	$ 825,000
15	Balance December 31 Unreserved Retained Earnings	$ 13,356,380
16	Balance all Retained Earnings December 31, 2004	$ 13,356,380

B-32. DIVIDENDS DECLARED (Account 4560)

1. If any dividend was payable other than cash, give complete details in a note.

Line No.	Class of Stock (a)	Date Declared (b)	Date Payable (Paid) (c)	Number of Shares on Which Declared (d)	Dividend Per Share (e)	Amount of Dividends Declared (Paid) (f)
1	Dividends Paid:				#DIV/0!	
2	Common	November 7, 2005	November 23, 2005	165	5,000	$ 825,000
3					#DIV/0!	
4					#DIV/0!	
5					#DIV/0!	
6	Total Dividends Paid					$ 825,000
7	Dividends Declared	N/A			#DIV/0!	
8						
9						
10	Total Dividends Declared					$ -
11	Total Dividends Paid					
12	and Declared For Year					
13	(To Schedule B-31)					$ 825,000
14	Total					$ 825,000

B-33. CAPITAL STOCK, ADDITIONAL PAID-IN-CAPITAL AND TREASURY STOCK (Accounts 4510.1, 4510.2, 4520, 4530.1, 4530.2

1. Beginning with common stock, respondents shall enter the class of stock and a description of any pertinent details such as differences in voting rights, preferences as to dividends or assets, pledges, etc.

2. Respondents shall provide the information specified in column headings (b) through (h) and note any other pertinent information at the bottom of the schedule.

Line No.	Class and Description of Capital (a)	Par or Stated Value Amount (b)	Number of Shares Authorized (c)	Amount of Stock Issued and Outstanding (d)	Additional Paid In Capital Account 4520 (e)	Total (Col. (d)&(e)) (f)	Number of Shares of Treasury Stock (g)	Amount in Treasury Stock Account Account 4530.1 & 4530.2 (h)
1	Capital Stock-Common	no-par	300	$ 430,670	$ 4,638,600	$ 5,069,270		
2						$ -		
3						$ -		
4						$ -		
5						$ -		
6						$ -		
7						$ -		
8						$ -		
9						$ -		
10						$ -		
11						$ -		
12						$ -		
13						$ -		
14						$ -		
15						$ -		
16						$ -		
17						$ -		
18						$ -		
19						$ -		
20	**Total**	$ -		$ 430,670	$ 4,638,600	$ 5,069,270		$ -

I-34. OPERATING REVENUES

Line No.	Item (a)		Amount for the Current Year (b)	Increase Over Preceding Year (c)
	LOCAL NETWORK REVENUES			
1	5001	Basic Area Revenue	$ 2,688,848	$ (94,215)
2	5002	Optional Extended Area Revenue	$ -	$ -
3	5003	Cellular Mobile Revenue	$ 104,721	$ 37,807
4	5004	Other Mobile Services Revenue	$ -	$ -
5	5010	Public Telephone Revenue	$ -	$ -
6	5040	Local Private Line Revenue	$ 50,963	$ 27,277
7	5050	Customer Premises Revenue	$ 50	$ (13,184)
8	5060	Other Local Exchange Revenue	$ 838,067	$ 64,412
9		Total Local Network Services Revenues	$ 3,682,649	$ 22,097
	NETWORK ACCESS SERVICES REVENUES			
10	5081	End User Revenue	$ 1,419,100	$ (177,800)
11	5082	Switched Access Revenue	$ 2,132,495	$ 464,398
12	5083	Special Access Revenue	$ 1,489,611	$ 342,486
13	5084	State Access Revenue	$ 1,633,887	$ (389,482)
14		Total Network Access Services Revenue	$ 6,675,093	$ 239,602
	LONG DISTANCE NETWORK SERVICES REVENUES			
15	5100	Long Distance Message Revenue	$ -	$ -
16	5120	Long Distance Private Network Revenue	$ -	$ -
17	5160	Other Long Distance Revenue	$ -	$ -
18	5169	Other Long Distance Revenue Settlements	$ 2,176	$ (559)
19		Total Long Distance Network Services Revenues	$ 2,176	$ (559)
	MISCELLANEOUS REVENUES			
20	5230	Directory Revenue	$ 264,783	$ 6,743
21	5240	Rent Revenue	$ 210,020	$ (10,552)
22	5250	Corporate Operations Revenue	$ -	$ -
23	5260	Miscellaneous Revenue	$ 70,522	$ 53,814
24	5270	Carrier Billing and Collection Revenue	$ 385,076	$ (40,331)
25		Total Miscellaneous Revenues	$ 930,401	$ 9,674
	UNCOLLECTIBLE REVENUES			
26	5301	Uncollectible Revenue - Telecommunications	$ 9,258	$ (8,219)
27	5302	Uncollectible Revenue - Other	$ (1,988)	$ 17,108
28		Total Uncollectible Revenues	$ 7,270	$ 8,889
29		TOTAL Operating Revenues	$ 11,283,049	$ 261,925

I-34A. INCREASE OR DECREASE IN OPERATING REVENUES

Give explanation of all operating revenue accounts, over $500, that have increased or decreased 10% or more over the prior year.

5003 - Cellular Mobile Revenue - 2005 includes new interconnection contracts with cellular providers.

5040 - Local Private Line Revenue - reduction in circuit expense billed by Verizon following a special service circuit audit.

5050 - Customer Premise Revenue - per clarification from NHPUC in June of 05, all inside wire revenues are condisered non-regulated and were moved accordingly.

5081 - End User Revenue decreased due to a change in settlements (began recording Federal Universal Surcharges in account 5082 in 2005)

5082 - Switched Access Revenue increased due to a change in settlements (began participating in the NECA traffic sensitive pool 7/04 so 2005 was first full year of pooled switchd access revenues for CVT also began recording Federal Universal Surcharges in account 5082 in 2005), a true-up of LSS revenues from 2001-2003 as a result of the NECA settlement for these years recorded in 2004 and the 2004 cost study adjustment.

5083 - Special Access Revenue increase due to a change in settlements (began participating in the NECA traffic sensitive pool 7/04 so 2005 was first full year of pooled special access revenues revenues for CVT)

5084 - State Access Revenue decrease due to a decrease in billed intrastate MOU.

5169 - Other Long Distance Revenue Settlement - decrease in national directory assistance usage.

5260 - Miscellaneous Revenue increase due to billing Verizon for E-911 database updates.

5301 - Uncollectible Revenue - Telecommunications - fewer customers written off as uncollectible in 2005.

5302 - Uncollectible Revenue - Other - increased because 2004 included a true-up of a carrier bad-debt allowance and bankruptcy write-offs of Choice One, Vartec and OneStar access carriers.

I-35. OPERATING EXPENSES

Line No.		Item (a)		Amount for the Current Year (b)	Increase Over Preceding Year (c)
	PLANT SPECIFIC OPERATIONS EXPENSES				
1	6112	Motor Vehicle Expense		$ 33,419	$ 9,190
2	6115	Garage Work Equipment Expense			$ -
3	6116	Other Work Equipment Expense		$ 3,920	$ (348)
4	6121	Land and Building Expense		$ 343,918	$ (33,153)
5	6122	Furniture and Artworks Expense		$ 755	$ 3,453
6	6123	Office Equipment Expense		$ 16,798	$ 5,194
7	6124	General Purpose Computers Expense		$ (21)	$ (189)
8	6211	Analog Electronic Expense		$ -	$ -
9	6212	Digital Electronic Expense		$ 346,150	$ (45,302)
10	6215	Electro-Mechanical Expense		$ -	$ -
11	6220	Operators System Expense		$ -	$ -
12	6230	Central Office Transmission Expense		$ 73,840	$ (58,997)
13	6311	Station Apparatus Expense		$ -	$ -
14	6341	Large Private Branch Exchange Expense		$ -	$ -
15	6351	Public Telephone Terminal Equipment Expense		$ -	$ -
16	6362	Other Terminal Equipment Expense		$ -	$ -
17	6411	Pole Expense		$ 28,816	$ 13,464
18	6421	Aerial Cable Expense		$ 153,686	$ 2,696
19	6422	Underground Cable Expense		$ 1,980	$ 61
20	6423	Buried Cable Expense		$ 242,427	$ (19,521)
21	6424	Submarine Cable Expense		$ -	$ -
22	6426	Intrabuilding Network Cable Expense		$ -	$ -
23	6431	Aerial Wire Expense		$ 11,205	$ (2,716)
24	6441	Conduit Systems Expense		$ -	$ -
25		Total Plant Specific Operations Expense		$ 1,256,893	$ (126,168)
	PLANT NONSPECIFIC OPERATIONS EXPENSE				
26	6511	Property Held for Future Telecommunications Use Expense			$ -
27	6511	Provisioning Expense			$ -
28	6530	Network Operations Expense		$ 1,162,521	$ 233,739
29	6540	Access Expense		$ 246,702	$ 86,665
30	6561	Depreciation Expense-Telecommunications Plant in Service		$ 2,307,990	$ (51,305)
31	6562	Depreciation Expense-Property Held for Future Telecommunications Use		$ -	$ -
32	6563.1	Amortization Expense-Capital Leases		$ 32,899	$ 3,691
33	6563.2	Amortization Expense-Leaseholds		$ -	$ -
34	6564	Amortization Expense-Intangible		$ 126,312	$ 76,696
35	6565	Amortization Expense-Other		$ -	$ -
36		Total Plant Nonspecific Operations Expense		$ 3,876,424	$ 349,486
	CUSTOMER OPERATIONS EXPENSE				
37	6610	Marketing	Sch. 35B	$ 555,290	$ 104,160
38	6620	Service	Sch. 35B	$ 1,184,379	$ 54,781
39		Total Customer Operations Expense		$ 1,739,669	$ 158,941
	CORPORATE OPERATIONS EXPENSE				
40	6710	Executive and Planning	Sch. 35B	$ 288,053	$ 145,941
41	6720	General and Administrative	Sch. 35B	$ 1,941,502	$ 198,049
42	6790	Provision for Uncollectible Notes Receivable			$ -
43		Total Corporate Operations Expense		$ 2,229,555	$ 343,990
44		TOTAL Operating Expense		$ 9,102,541	$ 726,249

I-35A. INCREASE OR DECREASE IN OPERATING EXPENSES

Give explanation of all operating expense accounts, over $500, that have increased or decreased 10% or more over the prior year.

6112 - Motor Vehicle Expense increased due to higher fuel charges.

6122 - Furniture & Artworks Expense - increased due to a change in the Part-64 allocation.

6123 - Office Equipment Expense - increased due to a change in the Part-64 allocation.

6212 - Digital Electronic Expense - decreased due to a decrease in labor and overheads associated with maintenance and operation of the switching equipment.

6230 Central Office Transmission Expense - decreased due to a decrease in labor and overheads associated with maintenance and operation of the circuit equipment. In addition, long distance circuit expense for former MCT LD customers charged to expense in 2004 was billed to TDS LD in 2005.

6411 - Poles Expense - increased due to an increase in NH Electric pole rent and expense associated with the disposal of old poles.

6431 - Aerial Wire Expense - decreased due to a decrease in labor and overheads associated with maintenance of our aerial wire plant.

6530 - Network Operations Expense - increased due to a increase in labor and overheads associated with maintenance of our network, in addition there was an increase in assessments charged from TDS companies.

6540 - Access Expense increased due to increased monthly USAC contributions in addition to recriprocal compensation charges billed by our cellular carriers.

6563.1 - Amortization Expense Capital Leases - increased due to the a new lease contract that was entered into at the end of 2005.

6564 - Amortization Expense-Intangible - increased due to additional computer software purchases and a change in the Part-64 allocation.

6610 - Marketing - increased due to 2005 having greater assessments charged from TDS companies.

6710 - Executive and Planning - increased primarily due to entires done in 2004 to bill MCT Communications for work that had been done for the cable company that had not been billed properly. In addition there was a change in the Part-64 allocation.

6720 - General and Administrative - increased due to 2005 having greater assessments charged from TDS companies.

I-35B. CUSTOMER OPERATIONS EXPENSE (Account 6610 and 6620)
CORPORATE OPERATIONS EXPENSE (Account 6710 and 6720)

Line No.	Item (a)		Amount for the Current Year (b)	Increase Over Preceding Year (c)
	CUSTOMER OPERATIONS EXPENSE			
	Marketing			
1	6611	Product Management	$ 229,594	$ (41,796)
2	6612	Sales	$ 184,999	$ 68,515
3	6613	Product Advertising	$ 140,697	$ 77,441
4		Total Marketing Expense-Account 6610	$ 555,290	$ 104,160
	Services			
5	6621	Call Completion Services	$ 2,142	$ (624)
6	6622	Number Services	$ 82,591	$ (28,320)
7	6623	Customer Services	$ 1,099,646	$ 83,725
8		Total Service-Account 6620	$ 1,184,379	$ 54,781
	CORPORATE OPERATIONS EXPENSE			
	Executive and Planning			
9	6711	Executive	$ 257,869	$ 188,689
10	6712	Planning	$ 30,184	$ (42,748)
11		Total Executive and Planning-Account 6710	$ 288,053	$ 145,941
	General and Administrative			
12	6721	Accounting and Finance	$ 486,189	$ 52,696
13	6722	External Relations	$ 433,635	$ 82,455
14	6723	Human Resources	$ 231,690	$ 26,258
15	6724	Information Management	$ 472,386	$ 31,386
16	6725	Legal	$ 53,071	$ 4,916
17	6726	Procurement	$ 47,894	$ 3,698
18	6727	Research and Development	$ -	$ -
19	6728	Other General and Administrative	$ 216,637	$ (3,360)
20		Total General and Administrative-Account 6720	$ 1,941,502	$ 198,049

I-36A. OTHER OPERATING TAXES (Account 7240)

Line No.	Name of Government (a)	IRS Audit (b)	PUC Assess. (c)	Property (d)	Regulatory Fees (e)	(f)	(g)	Total (h)
		TYPE OF TAX						
1	U.S. GOVERNMENT							$ -
2								$ -
3	Excise Tax							$ -
4	State PUC Assessment		$ 33,031					$ 33,031
5	Annual Report & Franchise							$ -
6	FCC Regulatory Fee				$ 4,796			$ 4,796
7								$ -
8								$ -
9	Property Taxes:							$ -
10	Town of Bradford			$ 2,765				$ 2,765
11	Town of Hopkinton			$ 42,052				$ 42,052
12	Town of Newbury and Tuftonboro			$ 1,125				$ 1,125
13	Town of Sutton			$ 5,066				$ 5,066
14	Town of Warner & Webster			$ 7,311				$ 7,311
15	Town of Antrim			$ 2,796				$ 2,796
16	Town of Bennington and Deering			$ 1,510				$ 1,510
17	Town of Henniker			$ 8,148				$ 8,148
18	Town of Hillsboro			$ 13,978				$ 13,978
19	PART 64 Allocation			$ (2,349)				$ (2,349)
20	**Total**	$ -	$ 33,031	$ 82,402	$ 4,796	$ -	$ -	$ 120,229
21	Billed by Others							$ -
22	Billed to Others							$ -
23	Charged to Construction							$ -
24								$ -
25								$ -
								$ -
27								$ -
28								$ -
29								$ -
30								$ -
31								$ -
32								$ -
33	**Total**	$ -	$ -	$ -	$ -	$ -	$ -	$ -

I-36B. PREPAID TAXES AND TAX ACCRUALS (account 1300, 4070 and 4080)

1. Respondents shall disclose in column (b) the amount of prepaid taxes and in column (c) the amount of tax accruals at the beginning of the year and in column (d) other taxes accrued.
2. In column (d) respondents shall list the accounts charged and in column (e) the amount of taxes accrued during the year.
3. In column (f) respondents shall disclose the amount of taxes paid and in column (g) the adjustments with an explanation for each adjustment amounting to $25,000 or more.
4. In succeeding columns, respondents shall disclose the balance at the end of the year for the prepaid taxes, income tax accruals and other taxes accrued.

Line No.	Particulars (a)	Balance at Beginning of the Year: Prepaid Taxes (Acct. 1300) (b)	Balance at Beginning of the Year: Tax Accruals (Accts 4070 & 4080) (c)	Taxes Accrued During the Year: Acct. Charged. (d)	Taxes Accrued During the Year: Amount (e)	Taxes Paid During the Year (f)	Adjustments Debit or (Credit) (g)	Balance at End of the Year: Prepaid Taxes (Acct. 1300) (h)	Balance at End of the Year: Income Taxes Accrued (Acct. 4070) (i)	Balance at End of the Year: Other Taxes Accrued (Acct. 4080) (j)
1	Federal Income Taxes		$ 400,201	7220 / 7420	$ 787,791	$ 1,070,864	$ (117,127)		$ 1	
2	NH Business Profits Taxes		$ 48,558	7230 / 7430	$ 194,963	$ 198,429	$ (45,092)		$ -	
3	Federal Excise Taxes									
4	Communications Tax									
5	Property Taxes	$ 25,072		7240 / 7360	$ 131,359	$ 141,050	$ (1,214)	$ 33,549		
6	NHPUC Assessment	$ 17,268		7240	$ 33,031	$ 31,525		$ 15,762		
7	Communications Tax, Excise & 911		$ 58,834	4080	$ 571,291	$ 568,096				$ 62,029
8				4080						
9				4080						
10										
11										
12										
13										
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30										
31										
32										
33	**Total**	$ 42,340	$ 507,593		$ 1,718,435	$ 2,009,964	$ (163,433)	$ 49,311	$ 1	$ 62,029

Note: Change in property tax beginning balance is due to the break out of the PUC assessment.

I-36C. NONOPERATING TAXES

Line No.	Description of Item (a)	Total	Federal	State	Local
1	Account 7410 Nonoperating Investment Tax Credits-Net	$ -			
2	Account 7420 Nonoperating Federal Income Tax	$ (25,759)	$ (25,759)		
3	Account 7430 Nonoperating State and Local Income Taxes	$ (6,837)		$ (6,837)	
4	Account 7440 Nonoperating Other Taxes	$ -			
5					
6					
7					
8					
9					
10	Account 7450 Provision for Deferred Nonoperating Income Taxes-Net	$ -			
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36	**Total**	$ (32,596)	$ (25,759)	$ (6,837)	$ -

I-36D. EXTRAORDINARY ITEMS (Accounts 7610, 7620, 7630, 7640)

1. Give below a brief description of each item included in accounts 7610, Extraordinary Income Credits and 7620, Extraordinary Income Charges.
2. Give reference to Commission approval, including date of approval for extraordinary treatment of any item.
3. The Income tax effects relating to each extraordinary item should be listed in Column (c) and Column (d).

Line No.	Description of Item (a)	Gross Amount (b)	Account 7630 Current Income Tax Effect (c)	Account 7640 Provision for Deferred Income Tax Effect (d)
1	Account 7610 Extraordinary Income Credits			
2	N/A			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	**TOTALS**	$ -	$ -	$ -
16	Account 7620 Extraordinary Income Charges			
17	N/A			
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	**TOTALS**	$ -	$ -	$ -
31	**Net Extraordinary Items**	$ -	$ -	$ -

I-37. NONOPERATING INCOME AND EXPENSE (Account 7300)

Line No.		Item (a)	Amount for the Current Year (b)	Increase Over Preceding Year (c)
1	7310	Dividend Income	$ 116,413	$ 28,213
2	7320	Interest Income	$ 95,635	$ 27,588
3	7330	Income From Sinking and Other Funds	$ -	$ -
4	7340	Allowance for Funds Used During Construction	$ -	$ -
5	7350	Gains or Losses for the Disposition of Certain Property	$ -	$ -
6	7355	Equity in Earnings of Affiliated Companies	$ -	$ -
7	7360	Other Nonoperating Income	$ 36,333	$ (871)
8	7370	Special Charges	$ (42,850)	$ (37,543)
9		Total Nonoperating Income and Expenses	$ 205,531	$ 17,387

I-38. OTHER OPERATING INCOME AND EXPENSE (Account 7100)

Line No.		Item (a)	Amount for the Current Year (b)	Increase Over Preceding Year (c)
1	7110	Income from Custom Work		$ -
2	7130	Return from Nonregulated Use of Regulated Facilities		$ -
3	7140	Gains and Losses from Foreign Exchange		$ -
4	7150	Gains and Losses from the Disposition of Land and Artwork		$ -
5	7160	Other Operating Gains and Losses		$ -
6		Total Other Operating Income and Expenses	$ -	$ -

I-39. SPECIAL EXPENSES ATTRIBUTABLE TO FORMAL REGULATORY CASES

1. Show, to the extent indicated by the following instructions and columnar captions, the expenses incurred during the year in connection with formal cases before Federal, State and other regulatory commissions, and in cases in which such a commission is a party, including to the same extent, the cost of defense and prosecution of petitions and complaints presented to such commissions and the cost of valuations, inventories, and appraisals of plant made for rate-case purposes and those taken in compliance with State and other regulatory authorities.

2. Expenses in connection with the procurement of franchises, issuance of capital stock and funded debt, and the expenses of securing certificates of convenience and necessity shall not be included in this schedule.

3. Give in column (a) a complete description of the regulation, hearing, or case that occasioned the items reported, including its number or other identification and the name of the regulatory commission concerned.

4. Column (b) shall include special assessments by regulatory commissions pertaining to the proceedings reported. General assessments by such commissions shall not be included in this schedule.

5. Column (c) shall include amounts such as fees, retainers, and expenses (excepting minor expenses not readily separable) paid to attorneys, consultants, and others not carried on the payroll of respondent.

6. Column (d) shall include salaries and wages and readily associated expenses of employees that have been employed or retained in service by respondent solely or almost entirely because of one or more of the proceedings reported.

7. Total expenses reported in columns (b), (c) and (d) shall be reported in column (e).

Line No.	Description of Regulation or Case (a)	Special Assessments by Regulatory Commissions (b)	OTHER SPECIAL EXPENSES: Fees, Retainers Expenses, and Other Billed Items (c)	OTHER SPECIAL EXPENSES: Incremental Payroll Costs and Directly Associated Expenses (d)	Total Reported Expenses and Assessments (e)
1	N/A				$ -
2					$ -
3					$ -
4					$ -
5					$ -
6					$ -
7					$ -
8					$ -
9					$ -
10					$ -
11					$ -
12					$ -
13					$ -
13	Total	$ -	$ -	$ -	$ -

I-40. ADVERTISING

1. Respondents shall disclose on line 1, the total amount charged to Account 6613, Product Advertising. Those costs shall include costs incurred in developing and implementing promotional strategies to stimulate the purchase of products and services.

2. Respondents shall disclose on line 2 the total amount of external relations expenditures to include cost to maintain relations with the government, regulators, other companies and the general public.

3. On line 3 respondents shall disclose the total costs incurred that are typically given special regulatory scrutiny for ratemaking purposes. These costs are presumed to be excluded from the cost of service in setting rates.

Line No.	Account No. (a)	Account Title (b)	Amount During the Year (c)
1	6613	Product Advertising	$ 140,697
2	6722	External Relations	$ 433,635
3	7370	Special Charges	$ 42,850
		Other (Specify):	
4			
5			
6			
7			
8			
9			
10			
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32			
33			
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37			
38			
39		**Total**	$ 617,182

I-41. GENERAL SERVICES AND LICENSES

1. Respondents shall enter in column (a) the name of the affiliate to whom respondents paid $10,000 or more for services received under a license agreement, a general service contract, or other arrangement providing for the furnishing of general account, engineering,

2. Respondents shall describe in column (b) the type of service provided.

Line No.	Name of Affiliate (a)	Service Provided (b)	Amount (c)
1			$ -
2			
3	TDS Telecom Service Corporation	Network Services	$ 670,853
4		Product Management	$ 564,382
5		Non-regulated Plant	$ 396,181
6		Customer Services	$ 370,023
7		Finance, HR, IS, General	$ 1,287,171
8			
9	Telephone and Data Systems, Inc.	Finance, HR, IS, General	$ 429,480
10		General Support Services	$ 16,433
11		Customer Services	$ 67,125
12			
13	Communications Corporation of Indiana	Customer Services	$ 19,211
14			
15	Kearsarge Telephone Company	Customer Services	$ 57,632
16		Central Office Services	$ 14,517
17			
18	Somerset Telephone Company	Customer Services	$ 18,247
19			
20			
21			
22			
23			
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32			
33			
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35			
36			
37			
38			
39			
40			
41			
42	Aggregate of All Other Amounts		
43		**Total**	$ 3,911,255

I-42. MEMBERSHIPS FEES AND DUES

1. Respondents shall disclose in column (b) the number of organizations in column (c) the number of memberships and in column (d) amount paid for membership fees and dues for each line item in column (a).

2. Respondents shall specify in column (a) any other type of organization not provided for elsewhere on this schedule.

Line No.	Particulars (a)	NUMBER OF Organi-zations (b)	NUMBER OF Member-ships (c)	Amount (d)
	EXPENDITURES CHARGED TO OPERATING EXPENSES			
1	Associations of Telecommunications Companies,	2	2	$ 763
2	Trade, Technical and Professional Associations and	19	19	$ 2,381
3	Other Organizations (specify type):			
4	PART 64			$ (2,348)
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	**Total**	21	21	$ 796
16	**EXPENDITURES CHARGED TO SPECIAL CHARGES (ACCOUNT 7370)**			
17	Social and Athletic Clubs			
18	Service Clubs (Rotary, Kiwanis, etc.)			
19	Lobbying			$ 12,412
20	Charitable Contributions			$ 24,586
21	Membership Fees			
22	Penalities & Fines			$ 214
23	Abandoned Construction Projects			
24	Other (specify type):			
25	Service Guarantee			$ 1,571
26	Corporate charges*			$ 4,067
27				
28				
29				
30				
31				
32				
33	* In account 737, TDS Corporate charges individual companies			
34	(per access line) for donations/advertising done at a corporate level			
35	A breakdown of donations vs. advertising is not readily available.			
36				
37	**Total**	-	-	$ 42,850

I-43. DONATIONS OR PAYMENTS FOR SERVICES RENDERED BY PERSONS OTHER THAN EMPLOYEES

1. Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of all such payments to a recipient was $5,000 or more including fees, retainers commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services or as donations. Payments to a recipient by two or more companies within a single system under a cost sharing or other joint arrangement shall be considered a single item for reporting in this schedule and shall be shown in the report of the principal company in the joint arrangement (as measured by gross operating revenues) with reference thereto in the reports of the other system companies in the joint arrangement.

Line No.	Name of Recipient (a)	Nature of Service (b)	Amount of Payment (c)
1	N/A		
2			
3			
4			
5			
6			
7			
8			
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37			
38			
39			
40		**Total**	$ -

S-1. SWITCHES AND ACCESS LINES IN SERVICE

Line No.	Description (a)	Total at End of Year: Electronic (b)	Total at End of Year: Digital (c)	Main Access Lines: Analog (d)	Main Access Lines: Digital (e)
	SWITCHES				
1	Central Office Switches - List by exchange				
	Contoocook	1			3,623
	Hillsborough	1			3,473
	Melvin Village	1			874
2	Remote Switches	6			9,488
3	Carrier Systems	46			
	Total	55	0	0	17,458

Line No.	**ACCESS LINES**	Total at End of Year: Analog (b)	Total at End of Year: Digital (c)
	<u>Access Lines In Service by Customer:</u>		
4	Residential Access Lines		13,032
5	Multiparty		
6	Total Access Lines	0	13,032
7	Business Access Lines:		
8	Single Party		2,831
9	Basic Rate ISDN (2B+D)		58
10	Primary Rate ISDN		460
11	PBX Trunks		581
12	Centrex-CO Line Count		398
13	InWATS - Closed End		49
14	Total Business Lines	0	4,377
15	Other Access Lines		
16	Radio Common Carrier (RCC) and Company Mobile		
17	Switched Access - FGA FX/ONAL		
18	Public Pay Stations		49
19	Other		
20	Total Other Access Lines	0	49
21	Total Access Lines	0	17,458

S-2. OUTSIDE PLANT STATISTICS - DISTRIBUTION/FEEDER

Line No.	Description (a)	Total at End of Year (b)
1	Miles of Aerial Wire	76.7
	Aerial Cable	
2	Miles of Sheath Copper	1045.8
3	Miles of Wire in Cable	69819.2
4	Miles of Sheath Fiber	11.1
5	Miles of Fiber in Sheath	374.9
	Underground Cable	
6	Miles of Sheath Copper	16.2
7	Miles of Wire in Cable	7280.9
8	Miles of Sheath Fiber	1.6
9	Miles of Fiber in Sheath	63.5
	Buried Cable	
10	Miles of Sheath Copper	190.5
11	Miles of Wire in Cable	9585.6
12	Miles of Sheath Fiber	0.0
13	Miles of Fiber in Sheath	0.0
	Submarine Cable	
14	Miles of Sheath Copper	0.0
15	Miles of Wire in Cable	0.0
16	Miles of Sheath Fiber	0.0
17	Miles of Fiber in Sheath	0.0
	Total Distribution/Feeder Cable	
18	Miles of Sheath - Copper	1252.5
19	Miles of Sheath - Fiber	12.7
20	Fiber Miles in Sheath - Lit	438.4
21	Fiber Miles in Sheath - Deployed (Lit & Dark)	438.4
	Poles and Underground Conduit	
22	Number of Poles	17441
23	Underground Conduit- Trench Miles	15.1
24	Underground Conduit- Duct Miles	2.7

S-3. OUTSIDE PLANT STATISTICS - INTEROFFICE

Line No.	Description (a)	Total at End of Year (b)
1	Miles of Aerial Wire	-
	Aerial Cable	
2	Miles of Sheath Copper	7.2
3	Miles of Wire in Cable	360.2
4	Miles of Sheath Fiber	123.6
5	Miles of Fiber in Sheath	4,132.9
	Underground Cable	
6	Miles of Sheath Copper	0.4
7	Miles of Wire in Cable	276.0
8	Miles of Sheath Fiber	4.9
9	Miles of Fiber in Sheath	200.2
	Buried Cable	
10	Miles of Sheath Copper	4.1
11	Miles of Wire in Cable	89.8
12	Miles of Sheath Fiber	0.1
13	Miles of Fiber in Sheath	1.2
	Submarine Cable	
14	Miles of Sheath Copper	
15	Miles of Wire in Cable	
16	Miles of Sheath Fiber	
17	Miles of Fiber in Sheath	
	Total Distribution/Feeder Cable	
18	Miles of Sheath - Copper	11.7
19	Miles of Sheath - Fiber	128.6
20	Fiber Miles in Sheath - Lit	4,334.3
21	Fiber Miles in Sheath - Deployed (Lit & Dark)	4,334.3

S-4. PENSION COST

Line No.	Item	Current Year (b)	Previous Year (c)
		N/A	
1	Accumulated Benefit Obligation		
2	Projected Benefit Obligation		
3	Fair Value of Plan Assets		
4	Discount Rate for Settlement of Liabilities		
5	Expected Long-Term Return on Assets		
	Net Periodic Pension Cost:		
6	Service Cost		
7	Interest Cost		
8	Return on Plan Assets		
9	Amortization of Transition Amount		
10	Amortization of Gains or Losses		
11	**Total**	$ -	$ -
12	Minimum Required Contribution		
13	Actual Contribution		
14	Maximum Amount Deductible		
15	Benefits Payments		
16	Pension Cost		
17	Pension Cost Capitalized		
18	Accumulated Pension Asset (Liability) at Close of Year		
	Number of Company Employees:		
19	Covered and not Covered by Plan		
20	Active		
21	Retired		

*This information is not applicable because the plan to which this company contributes is a defined contribution plan.

RESERVED

ANNUAL REPORT
of

Merrimack County Telephone Company
TO THE
STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
For the year ended December 31,
2005

OATH

State of New Hampshire.
County of Merrimack ss.
We, the undersigned,
of the Merrimack County Telephone Company utility, on our oath do severally say that the foregoing report has been prepared, under our direction, from the original books, papers and records of said utility, that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said utility, in respect to each and every matter and thing therein set forth to the best of our knowledge, information and belief; and that the accounts and figures contained in the foregoing report embrace all of the financial operations of said utility during the period for which said report is made.

____________________________ Secretary/Treasurer

____________________________ Assistant Treasurer

Subscribed and sworn to before me this

(insert day) day of (insert month and year)

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